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17 UNITED STATES DISTRICT COURT  
18 SOUTHERN DISTRICT OF CALIFORNIA

19 ART COHEN, Individually and on  
20 Behalf of All Others Similarly Situated,

21 Plaintiff,

22 vs.

23 DONALD J. TRUMP,

24 Defendant.

No. 3:13-cv-02519-GPC-WVG

CLASS ACTION

PLAINTIFF'S MEMORANDUM OF  
POINTS AND AUTHORITIES IN  
OPPOSITION TO DEFENDANT'S  
MOTION FOR DECERTIFICATION

DATE: July 22, 2016

TIME: 1:30 p.m.

CTRM: 2D

JUDGE: Hon. Gonzalo P. Curiel

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1 **I. INTRODUCTION**

2 After conning thousands of Americans into maxing out their credit cards to  
3 enroll in his sham “university” – including hundreds of senior citizens who need that  
4 money for their retirement – defendant Donald J. Trump whines this class action is not  
5 “fair” to him. Dkt. 192-1 (“Def’s Mem.”) at 2. At the risk of stating the obvious, it is  
6 Trump’s own illegal enterprise, which for years preyed on Americans down on their  
7 luck during the Great Recession, that is to blame for this class action – not his student-  
8 victims, not the lawyers representing them, and certainly not this Honorable Court.

9 Trump’s decertification motion parrots the same invalid objections to class  
10 certification that this Court and the Ninth Circuit have already rejected in this case and  
11 the related *Low* action. Those objections have not improved with time or repetition.  
12 The “new” evidence that Trump cites as justification for his motion is re-packaged  
13 testimony from the same few opt-outs whose sworn declarations he trotted out without  
14 success in opposing certification. And his “star” witnesses include Marla Colic, who  
15 was committed to a “psych[] ward” while enrolled at Trump University (“TU”), and  
16 Michelle Gunn who attended *after* the name was changed to Trump Entrepreneur  
17 Initiative (“TEI”) and provided a declaration shortly after Trump endorsed her son’s  
18 book. Ms. Gunn also “appears to be a professional testimonial-giver for [seminars].”  
19 *See* Ex. 17. That these opt outs now express their views in a deposition rather than a  
20 declaration is not the kind of sea change that requires decertification. Further, all but  
21 one chose to opt out, rendering their individual issues irrelevant. Finally, given that  
22 they comprise half of all dozen opt outs nationwide, they are also statistically  
23 insignificant – representing at most 0.16% of all students.

24 In contrast, there remain over 7,600 Class Members who have *not* opted out and  
25 whose interests this Court has appointed plaintiff Art Cohen to represent. Many of  
26 them are still struggling years later with the debt that they incurred because they made  
27 the mistake of trusting Trump. It is on their behalf that plaintiff urges this Court to  
28 maintain this case as a class action and get it to trial before it is too late.

## 1 II. CORRECTIONS TO DEFENDANT’S “BACKGROUND”

2 The Court is aware of the facts and procedural history of this case so plaintiff  
 3 does not repeat it in its entirety here. *See, e.g.*, Dkts. 220 at 2-8 & 39-1 at 3-13.  
 4 Plaintiff does wish to point out, however, that defendant’s “Background” focuses on  
 5 everything *except* the actual issue in the case – his scheme. *See* Def’s Mem. at 3-4.  
 6 Defendant’s relentless effort to deflect blame by chiding plaintiff for not working hard  
 7 enough to achieve success rather than addressing his illegal conduct speaks volumes.

8 Instead of reinventing the wheel, plaintiff will simply recite the factual  
 9 background from the Court-approved class notice for this case and related *Low*:

10 In both actions, Plaintiffs allege that Trump University and Trump  
 11 uniformly marketed and misrepresented their Live Events as offering  
 12 Trump’s real estate techniques taught by his hand-picked professors and  
 13 adjunct professors at his elite “university.” Plaintiffs allege that these  
 14 representations were false because Trump had no substantive  
 involvement in the selection of the Live Events instructors or the content  
 of the Live Events, and that the New York State Education Department  
 warned Trump not to use the “university” title or to continue operating  
 without a license, but he defied those directives.

15 Dkts. 71-1, Ex. A & 130 at 9. This is what this class claim is actually about.

16 And this claim is quintessentially a class one. That is why this Court granted  
 17 certification of a claim under the Racketeer Influenced and Corrupt Organizations Act  
 18 (“RICO”) over the objection of defendant (Dkt. 53), which he asked the Ninth Circuit  
 19 to review to no avail (Dkt. 59). More recently, in *Low*, the Court bifurcated and  
 20 decertified restitutionary damages so that the defendants there could seek individual  
 21 offsets based on students’ subjective valuations. *See Low* Dkt. 418.

## 22 III. APPLICABLE LEGAL STANDARDS

23 Decertification of a class “should theoretically only take place after some  
 24 change, unforeseen at the time of the class certification, that makes alteration of the  
 25 initial certification decision necessary.” *In re Apple iPod iTunes Antitrust Litig.*, No.  
 26 05-CV-0037 YGR, 2014 U.S. Dist. LEXIS 165254, at \*17 (N.D. Cal. Nov. 25, 2014).<sup>1</sup>

27 <sup>1</sup> Internal citations and quotation marks as well as objections in deposition  
 28 transcripts are omitted and emphasis is supplied, unless otherwise noted.

1 Thus, courts deny decertification where the movant fails to allege a “significant  
 2 intervening event.” *See Knapp v. Gomez*, No. 87-0067-H(M), 1991 U.S. Dist. LEXIS  
 3 11012, at \*3 (S.D. Cal. June 26, 1991) (citing *Langley v. Coughlin*, 715 F. Supp. 522,  
 4 553 (S.D.N.Y. 1989)).

5 “In considering the appropriateness of decertification, the standard of review is  
 6 the same as a motion for class certification: whether the Rule 23 requirements are  
 7 met.” *Stiller v. Costco Wholesale Corp.*, 298 F.R.D. 611, 622 (S.D. Cal. 2014)  
 8 (Curiel, J., presiding). Once the Court has undertaken its rigorous analysis to certify a  
 9 class, however, the burden of proof should shift to the party advocating decertification  
 10 to “demonstrat[e] that an element of Rule 23 is not satisfied.” *Id.* This shift precludes  
 11 defendant from “requiring that a court and its adversary revisit an earlier decision . . .  
 12 without any showing whatsoever.” *See* 3 William B. Rubenstein, et al., *Newberg on*  
 13 *Class Actions* §7:39 (5th ed. 2014) (“Newberg”). After all, it is defendant who filed  
 14 the motion and will get the benefit of a reply brief. As is true for all pre-trial motions  
 15 and at trial, the party who bears the burden of proof gets to speak first and last. Thus,  
 16 defendant’s burden to justify decertification should be “heavy,” as “doubts regarding  
 17 the propriety of class certification should be resolved in favor of certification.” *Stiller*,  
 18 298 F.R.D. at 622 (quoting *Gonzales v. Arrow Fin. Servs. LLC*, 489 F. Supp. 2d 1140,  
 19 1154 (S.D. Cal. 2007), *aff’d*, 660 F.3d 1055 (9th Cir. 2011)).

20 Defendant interprets *Marlo v. UPS, Inc.*, 639 F.3d 942 (9th Cir. 2011), as  
 21 holding that “the burden remains on the plaintiffs” for decertification. Def’s Mem. at  
 22 6. In *Marlo*, however, the Ninth Circuit discussed the parties’ burdens in the context  
 23 of the district court’s *sua sponte* call for briefing on decertification after it “became  
 24 increasingly concerned that individualized issues may predominate over class-wide  
 25 issues.” *Marlo v. UPS*, 251 F.R.D. 476, 479 (C.D. Cal. 2008). Further, *Marlo* made  
 26 only an “ancillary reference to burden” without “squarely addressing the issue.”  
 27 *Apple*, 2014 U.S. Dist. LEXIS 165254, at \*17; *see also* Newberg §7:39 (“the Circuit’s  
 28 decision does not engage the issue directly”). Accordingly, though there appears to be

1 a split of authority in the wake of *Marlo*, many courts in this Circuit continue to  
 2 rightfully place the burden on the defense to justify decertification. *See, e.g., Cole v.*  
 3 *CRST, Inc.*, No. EDCV 08-1570-VAP (SPx), 2016 U.S. Dist. LEXIS 48940, at \*4  
 4 (C.D. Cal. Apr. 1, 2016) (holding “[t]he party *seeking* decertification bears the burden  
 5 of demonstrating that the elements of Rule 23 have not been established”); *Stiller*, 298  
 6 F.R.D. at 622 (“the party moving for class decertification . . . bears the burden of  
 7 demonstrating that an element of Rule 23 is not satisfied”).

8 Regardless of whether defendant ultimately bears the burden on *his* motion,  
 9 certification remains appropriate here.

#### 10 **IV. DEFENDANT PROVIDES NO GOOD REASON TO DISTURB THIS** 11 **COURT’S WELL-REASONED CERTIFICATION ORDER**

12 Defendant limits his arguments to three previously made – and rejected by this  
 13 Court – that Rule 23(b)(3) predominance is not met due to individual questions about:  
 14 (1) the statute of limitations (“SOL”); (2) causation/reliance; and (3) damages  
 15 determinations. Defendant does not assert any other Rule 23 requirement is lacking  
 16 and adds nothing new of substance to his renewed bid to oppose certification. To the  
 17 contrary, his motion reinforces that maintaining a class is the only sensible way to go.

##### 18 **A. The Liability Elements of Plaintiff’s RICO Claim Still Raise** 19 **Common Questions with Common Answers**

20 Trump’s decertification motion is built around the fiction that “common  
 21 questions are virtually nonexistent.” Def’s Mem. at 1. To buttress this fallacy,  
 22 defendant misrepresents the very issues of the case, framing the underlying questions  
 23 as ones that involve whether “Trump University” – *not* him as the defendant – made  
 24 certain misrepresentations and whether students sustained damages. *See id.* In doing  
 25 so, defendant focuses on his hypothetical defenses instead of plaintiff’s actual claim.

26 But as the Supreme Court held just a few months ago:

27 The predominance inquiry “asks whether the common, aggregation-  
 28 enabling, issues in the case are more prevalent or important than the non-  
 common, aggregation-defeating, individual issues.” When “one or more  
 of the central issues in the action are common to the class and can be  
 said to predominate, the action may be considered proper under Rule



23(b)(3) even though other important matters will have to be tried separately, such as damages or some affirmative defenses peculiar to some individual class members.”

*Tyson Foods, Inc. v. Bouaphakeo*, \_\_U.S.\_\_, 136 S. Ct. 1036, 1045 (2016). In assessing predominance, the Court focuses on the elements: “Considering whether ‘questions of law or fact common to class members predominate’ begins, of course, with the elements of the underlying cause of action.” *Erica P. John Fund, Inc. v. Halliburton Co.*, 563 U.S. 804, 809 (2011) (cited in *Tyson Foods*, 136 S. Ct. at 1046). Ultimately, “[p]redominance is a question of efficiency.” *Butler v. Sears*, 702 F.3d 359, 362 (7th Cir. 2012). “If common questions ‘present a significant aspect of the case and they can be resolved for all members of the class in a single adjudication,’ then ‘there is clear justification for handling the dispute on a representative rather than on an individual basis.’” *Low* Dkt. 298 at 18. As such, predominance is readily met in certain cases alleging consumer fraud. *See Amchem Prods. v. Windsor*, 521 U.S. 591, 625 (1997); *In re First Alliance Mortg. Co.*, 471 F.3d 977, 990 (9th Cir. 2006).

Going back to basics here, the elements of plaintiff’s RICO claim are: **Trump’s** ““(1) conduct (2) of an enterprise (3) through a pattern (4) of racketeering activity.” Dkt. 21 at 5 (quoting *Sedima, S.P.R.L. v. Imrex Co.*, 473 U.S. 479, 496 (1985)). Plaintiff must also show harm as a result. *See id.* “‘Racketeering activity’ . . . include[es] the predicate acts alleged by Plaintiff in this case: mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343.” *Id.* For each liability element, plaintiff and “every class member would prove them with the same evidence, and the answer would be the same as to each class member.” Dkt. 39-1 at 18. “For example, Trump either did or did not ‘conduct’ the Trump University enterprise.” *Id.* (citing *Reves v. Ernst & Young*, 507 U.S. 170, 179 (1993)). “[T]his element, as well as the remaining three, must be proved (or not) through common proof about Trump’s relationship vis-à-vis Trump University, not individual student-victims. Therefore, both the proof and the answer as to each element will be the same as to each student-victim.” *Id.*

1 Focusing on these actual elements, instead of the issues Trump concocted, it is  
 2 clear that trying this case once is far more efficient than trying it 7,600 times. *See*  
 3 *Butler*, 702 F.3d at 362. Trump has not shown common questions about his scheme  
 4 are any less significant now than in 2014. Nor could he. Just because these are  
 5 questions he would rather not have answered does not mean they are less important in  
 6 2016. These questions alone are sufficient to deny his motion for decertification.

7 **B. Decertification Is Not an Opportunity for a “Do-Over”**

8 Instead of raising new issues, defendant’s motion re-hashes his opposition to  
 9 class certification. But “do-overs” are not allowed. *See, e.g., Apple*, 2014 U.S. Dist.  
 10 LEXIS 165254, at \*18 (“Apple presented many of these arguments while opposing  
 11 earlier certification motions. . . . Nevertheless, the Court declines to revisit this  
 12 previously resolved issue so soon before trial especially where no intervening events  
 13 have led to changed circumstances.”); *Chavez v. Blue Sky Nat’l Beverage Co.*, No. C  
 14 06-06609 JSW, 2011 U.S. Dist. LEXIS 109738, at \*25 (N.D. Cal. Sept. 27, 2011)  
 15 (denying motion to decertify where defendants re-hashed class certification); *Iorio v.*  
 16 *Allianz Life Ins. Co. of N. Am.*, No. 05CV633 JLS (CAB), 2008 U.S. Dist. LEXIS  
 17 118344, at \*84 (S.D. Cal. July 8, 2008) (rejecting attempt at decertification to  
 18 “resurrect[] the same deposition testimony” cited in opposing class certification).

19 Here, defendant repeats the same arguments that this Court already considered  
 20 and rejected at the class certification stage. *See* Dkt. 53 at 11. These are the same  
 21 arguments defendant makes now. Def’s Mem. at 1-2 (summarizing arguments). But  
 22 in certifying the Class, this Court undertook a rigorous review of the evidence, the  
 23 law, and the parties’ arguments. *See, e.g.,* Dkt. 53 at 4-5. And after undertaking such  
 24 a rigorous analysis, the Court was satisfied that plaintiff had, indeed, met his burden.  
 25 *See id.* at 22-23. The Ninth Circuit refused to consider reversing this Court’s finding.  
 26 *See* Dkt. 59. And in the intervening period since then, nothing has changed.

27 In fact, close inspection of defendant’s “new” evidence shows “there is no there  
 28 there.” *See* Gertrude Stein, *Everybody’s Autobiography* at 298 (1937). Of the “37 lay

witness depositions” that defendant says took place since class certification (Def’s Mem. at 1), defendant relies almost exclusively on opt-outs Mette Nielsen, Marla Rains Colic, Meena Mohan, and Michelle Gunn, and absent class member Paul Canup, whose testimony echoes declarations submitted with defendant’s opposition to class certification. *See* Dkt. 45-1, Exs. 7, 9, 10, 12, 15, 19. This evidence is hardly “new.” *See Donovan v. Philip Morris USA, Inc.*, No. 06-12234-DJC, 2012 U.S. Dist. LEXIS 37974, at \*27 (D. Mass. Mar. 21, 2012) (“The argument raised here in support of the decertification motion is an echo of the argument made in opposition to the plaintiffs’ certification motion . . . and is one that the Court has already rejected.”). And Amy H. has since disavowed her declaration, which the defense duped her into signing before she knew about the fraud. *See, e.g.*, Ex. 1, Amy H. Tr. at 69:20-72:22.<sup>2</sup>

**C. Defendant’s Arguments Are Even Weaker Now as His “Die Hards” Have Since Opted Out of the Class**

Not only does defendant have little new to say, but his arguments are weaker than before because virtually all of the testimony cited comes from the mouths of a handful of former TU and TEI students who, to the extent that they were even class members before, are no longer part of the Class at all because they chose to “opt out.”

As the Supreme Court holds, those who opt out of a class action are “removed from the litigation entirely.” *Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 810-11 (1985); *see also* Newberg §9:39 (“Once an individual opts out of a class action, she is excluded entirely from the suit. That means she has no standing to participate in the suit or . . . to object to any proposed settlement or appeal.”); *accord Cruz v. Sky Chefs, Inc.*, No. C-12-02705 DMR, 2014 U.S. Dist. LEXIS 68560, at \*14-\*15 (N.D. Cal. May 19, 2014) (same); *Morris v. Affinity Health Plan, Inc.*, 928 F. Supp. 2d 805, 811-12 (S.D.N.Y. 2013) (“The efficiency afforded by the class action procedure would be poorly served if numerous class members were permitted to opt out of the class and

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<sup>2</sup> Here, and throughout, unless otherwise noted, references to “Ex.” are to the Exhibits attached to the Declaration of Rachel L. Jensen, filed concurrently herewith.

1 then remain in the litigation with supposedly resurrected individual claims.”), *aff’d*,  
 2 558 F. App’x 51 (2d Cir. 2014). Opt-outs are “no longer considered class members”  
 3 and have no standing under Rule 23 for any purpose. *See* Newberg §13:23.

4 Accordingly, courts certify Rule 23(b)(3) classes despite the existence of  
 5 outliers, reasoning that any disaffected class members may simply opt out of the class.  
 6 *See, e.g., Bertulli v. Indep. Ass’n of Cont’l Pilots*, 242 F.3d 290, 298 (5th Cir. 2001)  
 7 (emphasizing that “dissatisfied class members have the right to opt out of the class”);  
 8 *In re Nat’l W. Life Ins. Deferred Annuities Litig.*, 268 F.R.D. 652, 658 (S.D. Cal.  
 9 2010) (certifying class despite defendant’s submission of class member declarations  
 10 stating they were satisfied). Once these individuals opt out, they are no longer part of  
 11 the litigation and thus their testimony is irrelevant to the ***class members’ claims***. *See*,  
 12 *e.g., Waters v. Int’l Precious Metals Corp.*, 172 F.R.D. 479, 489 (S.D. Fla. 1996)  
 13 (“[I]n light of the Court’s decision to restrict the trial to common issues only, the  
 14 testimony of ***opt-outs*** and the brokers on the issue of reliance is irrelevant.”).

15 Here, all but one of the “students” upon which defendant relies chose to opt out,  
 16 and the other intends to do so.<sup>3</sup> *See* Ex. 2, Colic Tr. at 14:6-22; Ex. 3, Gunn Tr. at  
 17 15:10-16; Ex. 4, Mohan Tr. at 27:1-12; Ex. 5, Nielsen Tr. at 8:22-9:16; Dkts. 154,  
 18 165-66 (opt-outs). In addition, Gunn attended the Fulfillment after the name change  
 19 to TEI so she was never a class member (Ex. 3, Gunn Tr. at 48:10-12); she provided  
 20 her declaration shortly after Trump agreed to endorse her son’s book (Ex. 6); and she  
 21 “appears to be a professional testimonial-giver for [seminars].” Ex. 17. Mohan’s  
 22 testimony related mostly to phone coaching, which is not a “live event.” *See* Ex. 4,  
 23 Mohan Tr. at 231:8-17. And, the star witness of defendant’s motion, Colic, was  
 24 committed to a “psych[] ward” while in TU (Ex. 2, Colic Tr. at 89:8-11) and she  
 25 received free products for supporting Trump’s defense in the *Low* case. Ex. 7 (TU  
 26 155015-16). None of these individuals can speak for the Class. As each removed

27 \_\_\_\_\_  
 28 <sup>3</sup> Colic and Nielsen testified under oath that they were “opting out,” and since his  
 deposition, Canup has also indicated that he wishes to opt out of the Class.

herself from the litigation, she cannot be used as a pawn by Trump to manufacture individual issues. *See Shutts*, 472 U.S. at 810-11; *cf. Morris*, 928 F. Supp. 2d at 811-12 (“The efficiency afforded by the class action procedure would be poorly served if numerous class members were permitted to opt out of the class and then remain in the litigation with supposedly resurrected individual claims.”). Besides, it is clear these outliers are not representative. Of all 7,600 Class Members, only a dozen opted out. *See* Dkts. 154, 166. Even ignoring that these are individuals are irrelevant, they are statistically insignificant as they represent at most 0.16% of all students. Their aberrant views should be ignored.

#### **D. The Common Sense Inference Still Makes Perfect Sense**

Trump argues that the common sense inference is no longer valid by reviving the same invalid objections he always had. In both this case and in *Low*, he has previously argued – like he does again now – that the student-victims who enrolled in “Trump University” are diverse and chose to sign up for myriad reasons unrelated to either Trump or the “university.” *Compare, e.g.,* Def’s Mem. at 3-4, 18, *with* Dkt. 45 at 3, 11, 16-20, *and Low* Dkt. 138 at 1-2, 17. The Court has rejected these arguments multiple times and should not hesitate to do so again here.

##### **1. The Court Has Already Considered and Rejected Defendant’s Recycled Argument**

Defendant’s “diverse walks of life” argument is misguided as it would prevent any consumer class from being certified and places undue emphasis on the victims of the scheme rather than defendant’s scheme itself. *See Low* Dkt. 195 at 1. Indeed, the Court has already considered this argument – here and in *Low* – and rejected it twice as unpersuasive. *See* Dkt. 53 at 12; *Low* Dkt. 298 at 21. As the Court aptly put it:

Here, Plaintiff’s theory of causation is that people who paid for “Trump University” Live Events “would not have done so if informed they were getting neither Trump nor a university.” Plaintiff has introduced evidence that the alleged misrepresentations of a “university” and of Donald Trump participation in the Trump University Live Events were prominently featured in all Trump University marketing materials; and that a “Playbook,” Powerpoint presentations, and scripts encouraged if not required Trump University representatives to continue these

1 representations. The Court finds that this evidence provides a method  
 2 for Plaintiff to establish proximate causation on a classwide basis  
 3 without resort to individualized inquiries, by relying on a ***common sense***  
***inference that consumers are likely to rely on prominently marketed***  
***features of a product which they purchase.***

4 Dkt. 53 at 13-14. Likewise, the Court has distinguished the primary case upon which  
 5 Trump relies, *Poulos v. Caesars World, Inc.*, 379 F.3d 654 (9th Cir. 2004):

6 Here, the Court finds that, unlike gambling, purchasing real estate  
 7 seminars is not the type of consumer activity that is susceptible to wide-  
 8 ranging behavioral rationales. Furthermore, unlike in *Poulos*, Plaintiff  
 9 has introduced evidence that Defendant marketed the Trump University  
 10 Live Events with prominent pictures and quotes from Defendant as well  
 11 as the allegedly ubiquitous use of the name “Trump University” as well  
 as a coat of arms and educational language. The Court is satisfied that  
 Plaintiff has produced evidence of uniform marketing of the alleged  
 misrepresentations such that a common sense link between the  
 misrepresentations and putative class members’ reliance on those  
 representations is appropriate.

12 At the hearing on the present motion for class certification,  
 13 Defendant argued he is entitled to mount a defense on the issue of  
 14 causation, and that his defense would require individualized inquiries  
 15 into whether each putative class member relied on the alleged  
 16 misrepresentations. The Court finds this argument unpersuasive. Because  
 the Court finds that an inference of reliance is appropriate in this case,  
 the inference may only be rebutted by evidence that can be properly  
 generalized to the class as a whole.

17 Dkt. 53 at 15-16. And the Court rejected defendant’s other main case, *In re*  
 18 *Countrywide Fin. Corp. Mortg. Mktg. & Sales Practices Litig.*, 277 F.R.D. 586, 605  
 19 (S.D. Cal. 2011), in which defendant had explained essential loan terms to borrowers:

20 The evidence showed that [in *Countrywide*] the defendant’s loan officers  
 21 described their loans “from start to finish,” and “explained in detail the  
 22 pros and cons of the [product at issue].” Here, on the other hand,  
 Defendant has not demonstrated any such transparency on the part of  
 Defendant or Trump University such that it may be inferred that putative  
 class members had knowledge of the alleged misrepresentations yet  
 chose, for other reasons, to purchase [TU] Live Event programs.

23 Dkt. 53 at 14.

24 The only new case cited by defendant hails from a district court outside this  
 25 Circuit and is factually distinguishable. See Def’s Mem. at 21 (citing *St. Gregory*  
 26 *Cathedral Sch. v. LG Elecs., Inc.*, No. 6:12-cv-739, 2015 U.S. Dist. LEXIS 127063  
 27 (E.D. Tex. Sept. 23, 2015)). In *St. Gregory*, the defendant sold HVAC units to  
 28



1 distributors with allegedly misleading marketing materials about their quality. *See*  
 2 2015 U.S. Dist. LEXIS 127063, at \*4-\*5. Some distributors subsequently sold the  
 3 units to consumers, while others sold further down distribution channels. *See id.* at  
 4 \*5. Plaintiffs were consumers, some of whom never received the marketing materials.  
 5 *See id.* at \*16. There, the court recognized the Fifth Circuit’s unique “strong  
 6 skepticism” against an inference of reliance in RICO cases. *See id.* at \*13. And the  
 7 court had ample reason to doubt plaintiffs’ reliance on the materials because defendant  
 8 had sent them to distributors and *not* the plaintiffs. *See id.* at \*16. Based on that  
 9 critical fact, the court found the misrepresentations “may not have made it all the way  
 10 down the distribution channel” to plaintiffs. *See id.* Here, in contrast, the Court has  
 11 found evidence that defendant’s misleading ads were “prominently featured in all  
 12 Trump University marketing materials; and that a ‘Playbook,’ PowerPoint  
 13 presentations, and scripts required Trump University representatives to continue these  
 14 representations” to plaintiff and Class Members nationwide. *See* Dkt. 53 at 13.

## 15 **2. Defendant’s Evidence Is Neither New Nor Requires** 16 **the Court to Abandon Common Sense**

17 In addition to citing old law, defendant’s “new” evidence is anything but.  
 18 Though Trump claims recent testimony changes the analytical landscape, it is the  
 19 same as what he proffered in opposing certification in arguing that the “record” of  
 20 student evaluations, testimonials, and declarations “show[ed] great variety” and  
 21 “confirm[ed] that students had very different reasons to attend TU.” Dkt. 45 at 3.

22 Indeed, all five “students” that defendant cites – Colic, Canup, Gunn, Mohan,  
 23 and Nielsen – provided declarations in opposition to class certification. *See* Dkt. 45-1,  
 24 Exs. 7, 10, 12, 15, 19. Four are opt outs and one intends to opt out. *See* §IV.C. And  
 25 the six alternative rationales Trump claims are new (Def’s Mem. at 19-20) – (1) “to  
 26 gain real estate knowledge;” (2) “to network;” (3) to obtain “higher quality”  
 27 experience; (4) “to learn subject matter referenced at a preview;” (5) to avoid  
 28 ““danger[.]” in real estate market; and (6) “to generate income” – were the same as in

1 his class certification opposition. *See* Dkt. 45 at 18-19 (quoting students in support of  
 2 the same six reasons). In fact, the “new evidence” that students wanted to “gain real  
 3 estate knowledge” is what opt-out Gunn expressed before as a desire for “continuing  
 4 to learn.” *Compare* Dkt. 45 at 18-19 (quoting Gunn), *with* Def’s Mem. at 19 (quoting  
 5 Gunn). Defendant’s “new” evidence is a rerun of evidence that was not a hit even the  
 6 first go around.

7 Defendant also says students were motivated by something different from  
 8 Trump’s involvement: the Trump “brand.” This Court already rejected this  
 9 distinction without a difference. *See* Dkt. 45 at 18 (defendant arguing students had  
 10 brand-related rationales, such as “I understood that Donald Trump had put his name  
 11 on the business and that was enough for me”); Dkt. 53. Trump intended to influence  
 12 plaintiff and the Class to enroll with his personal promises. *See* Ex. 8, DJT Tr. at  
 13 388:4-9, 391:17-392:7. And TU’s marketing materials prominently featured Trump  
 14 and his personal promises. *See* Dkt. 53 at 13. In case it is not obvious, Dr. Michael  
 15 Kamins, Ph.D., opined that TU ads were “intertwined with Mr. Trump” and “linked to  
 16 his personal characteristic[s]” by including first-person promises such as “*I* can turn  
 17 anyone into a successful real estate investor, including you” and “learn *my* strategies  
 18 and techniques.” Ex. 9, Kamins Tr. at 182:11-12, 184:21-185:2. Defendant’s rebuttal  
 19 experts (whose opinions are based on the same “student” testimony cited by  
 20 defendant) also concede Trump’s involvement influenced students’ to enroll. *See* Dkt.  
 21 184-2, Ex. 6 (Steckel Rpt. at 18); Dkt. 184-2, Ex. 1 (McDuff Rpt. at 47-48, Ex. B-3).  
 22 Steckel acknowledged Trump’s celebrity “fit” TU’s product category and thus led to  
 23 “increased sales.” Dkt. 184-2, Ex. 6 (Steckel Rpt. at 18). Similarly, McDuff’s chart  
 24 summarizing deponents’ “[r]easons for [p]urchase” shows *every Class Member* listed  
 25 “Trump brand name,” “Trump secrets,” “Trump handpicked,” or “Accreditation” as  
 26 influencing their decision. *See* Dkt. 184-2, Ex. 1 (McDuff Rpt. at 47-48, Ex. B-3).

27 Even the “opt-outs” do not separate the brand from the man as Mr. Trump was a  
 28 motivating factor for each. *See* Ex. 2, Colic Tr. at 136:1-4 (“[Q.] So in -- you chose



1 Trump University in part because of Donald Trump’s association with it, correct? [A.]  
 2 Yeah, I would state that. Yeah.”); Ex. 10, Canup Tr. at 25:8-14 (“[Q.] Did Donald  
 3 Trump ever make any representations to you, either in writing or on the CDs, about  
 4 what would be taught at the Trump University preview seminar? [A.] I don’t  
 5 remember any details. . . . But he always stressed education and learning from the  
 6 best.”); Ex. 3, Gunn Tr. at 174:10-19 (“[Q.] When you got this mailer and it had the  
 7 lion and . . . ‘Donald Trump’ on it, was . . . his involvement . . . a positive . . . ?  
 8 [A.] Yes.”); Ex. 5, Nielsen Tr. at 62:16-19 (“Certainly because his name is in it  
 9 ‘Donald Trump’ and he has a certain space in real estate, like I said, to begin with, that  
 10 got my attention.”); 69:3-7 (“Q. Did you have an expectation that [Trump] had met  
 11 with James Harris [TU’s instructor]? [A.] I’m thinking he almost must have.”).

12         Given that defendant cannot challenge the prominence and efficacy of his own  
 13 self-promotion, he is forced to misconstrue the evidence. For example, defendant  
 14 turns on its head Kamins’ survey by arguing it shows 10% of students purchased for  
 15 unrelated reasons. *See* Def’s Mem. at 20. To the contrary, the survey reinforces the  
 16 appropriateness of the common sense inference as 90% of respondents (*i.e.*,  
 17 individuals who indicated a desire to enroll after viewing ads) are conscious of having  
 18 been influenced positively by promises of “Donald Trump’s real estate strategies and  
 19 techniques” and “professors hand-picked by Donald Trump.”<sup>4</sup> Dkt. 184-2, Ex. 8  
 20 (Kamins Rpt. Ex. 4 at 3). These results are more “evidence that class members paid  
 21 for TU seminars for reasons that track the advertising and promotional information  
 22 provided in the highly orchestrated campaign.” *Low* Dkt. 298 at 22. And given the  
 23 questions’ phraseology, others may have been attracted due to Trump’s involvement  
 24 or university moniker – but it does not prove a negative, and still others may not be

25  
 26  
 27 <sup>4</sup> And the greater the interest, the greater the likelihood that a respondent was  
 28 positively impacted by the opportunity to learn Trump’s strategies from his  
 handpicked professor. *See* Dkt. 184-2, Ex. 8 (Kamins Rpt. at 46-47).

conscious that Trump's involvement influenced them. *See* Ex. 13 at TU 53033 (PlayBook: "[T]he point of decision is always emotional, and usually subconscious.").

When the sleight of the hand is removed, defendant's arguments all fall short for the same reason – while students are driven by varying motivations, as people in life always are, defendant has not a shred of evidence that any actual Class Member's motivation was antagonistic to the prominent marketing themes at issue. In other words, defendant cannot point to anyone who enrolled *despite* his involvement or university moniker. And no student knew Trump was operating illegally so defendant cannot establish a lack of reliance on his "university" ruse. *See Bias v. Wells Fargo & Co.*, 312 F.R.D. 528, 541 (N.D. Cal. 2015) (certifying RICO claim; "presumption of reliance is appropriate in a case involving primarily omissions because of the 'difficulty of proving a speculative negative – that the plaintiff relied on what was not said'" (quoting *Binder v. Gillespie*, 184 F.3d 1059, 1063-64 (9th Cir. 1999)).

### 3. Defendant Is Grasping at Straws for Any "Evidence" of Individual Issues of Reliance and Causation

Jumping to an alternate universe where the common-sense inference no longer applies, defendant claims that, in such a realm, individual questions of causation and reliance predominate. But he has nothing to back it up. Instead, he cites to random pieces of evidence that fail to undercut the common issue. For example, he says Sonny Low did not see the Main Promotional Video (*see* Def's Mem. at 22), but that is because Low arrived late to the Preview, not because it was not played, and he *did* rely on the same claims in the ads he saw. *See, e.g.*, Ex. 11, Low Tr. at 31:5-18. Moreover, a stray reference by an instructor to TU as a "company" does nothing to pull back the curtain on Trump's illicit "university." *See* Def's Mem. at 22. And, if instructor Goff randomly told a student he was hired by Mr. Sexton, that does not preclude him from simultaneously lying about being hand-picked by Trump, which is what he did. *See* Ex. 12, Goff Tr. at 181:6-18 ("Q. . . . And, again, you were just following what you were told to say in this recording, right? That Donald Trump had

1 personally picked you? A. That's correct. Q. And just to follow up, you've – you've  
 2 never met Trump, right? A. No. Q. So it's not true that he picked you? A. Yeah, it's  
 3 true he didn't handpick me, no."). The PlayBook also required instructors to be  
 4 falsely introduced as handpicked. *See* Ex. 13 at TU 53041. In any event, the claims  
 5 track prominently-marketed features so students may rely thereon. Dkt. 53 at 13.

6 Even if defendant, at some point, found a Class Member (not an opt-out or non-  
 7 class member) who swears on a stack of Bibles that he would have spent tens of  
 8 thousands of dollars knowing full well TU was an illegal operation taught by commen  
 9 paid on commission instead of Trump's handpicked professors and adjunct professors  
 10 teaching his techniques, decertification would *still* be inappropriate. *See* Dkt. 53 at 15  
 11 (inference based on uniform marketing of TU, which could only be rebutted "by  
 12 evidence that can be properly generalized to the class as a whole"); *Nat'l W.*, 268  
 13 F.R.D. at 659, 664-66 (finding "[c]onsumers are nearly certain to rely on prominent  
 14 (and prominently marketed) features of a product which they purchase"; certifying  
 15 class despite "satisfied" class member declarations; and rejecting argument that the  
 16 diversity of the class meant individualized issues of reliance would predominate).

## 17 **E. Trump's SOL "Defense" Is Hopelessly SOL**

### 18 **1. Trump's SOL Argument Is Another Rerun**

19 As he did in opposing class certification, Trump argues that this Court should  
 20 decertify the Class based on a hypothetical SOL defense that some students may have  
 21 discovered the fraud earlier. *Compare* Def's Mem. at 6-17, *with* Dkt. 45 at 8-11.  
 22 Addressing these points again is like being stuck in the film "Groundhog Day."  
 23 Plaintiff already explained why defendant's SOL defense is subject to common proof  
 24 and answers (Dkt. 46 at 5-9), and this Court considered the parties' submissions and  
 25 rejected these arguments. Dkt. 53 at 16-19. This Court's decision remains on point.

26 Defendant attempts to put a new gloss on his arguments by citing: (1) additional  
 27 articles, blogs, and online posts complaining TU was a scam (Def's Mem. at 9-10, 16-  
 28 17); (2) other documents about Trump's favorite target, Tarla Makaeff (*id.* at 10-11);

1 and (3) testimony of several opt-outs (*id.* at 11-14). First, the articles and online  
 2 reviews cited are easily dispatched as they are the same type of complaints about TU's  
 3 upselling that defendant previously argued established inquiry notice, *see* Dkt. 45 at 7-  
 4 8, to no avail. Dkt. 53 at 17-18. This time around, Trump shoots himself in the foot  
 5 by arguing for purposes of this motion that students were put on inquiry notice by  
 6 these articles, while simultaneously contending in his summary judgment motion that  
 7 he was blissfully ignorant of his own fraud due to "positive student reviews."  
 8 *Compare* Dkt. 180-1 at 23 (emphasis omitted), *with* Def's Mem. at 16-17 & n.11. If  
 9 "Plaintiff cannot turn a blind eye to the obvious," neither can he. Def's Mem. at 16.

10 Second, defendant made the same arguments about Makaeff in opposing class  
 11 certification. *See* Dkt. 45 at 9-10. That she contacted other students, read bad  
 12 reviews, and complained elsewhere along the same lines changes nothing. *See* Def's  
 13 Mem. at 11. She still did not know Trump was completely absent or his university  
 14 was illegal, until after her attorneys' investigation and discovery revealed those facts.<sup>5</sup>  
 15 In any event, defendant is estopped from arguing the SOL bars Makaeff's claim as he  
 16 has stipulated that Makaeff is "eligible to take part in any class recovery in the *Cohen*  
 17 action, if any, based on the current class definition." *Low* Dkts. 389 at 3 & 394 at 1-2.

18 Third, the testimony of a few opt-outs proves nothing as they have no claims  
 19 against Trump that could be subject to a SOL defense. *See, e.g., Cruz v. Sky Chefs,*  
 20 *Inc.*, No. C-12-02705 DMR, 2014 U.S. Dist. LEXIS 68560, at \*14-\*15 (N.D. Cal.  
 21 May 19, 2014) ("Any Class Member who submits a valid and timely opt out notice  
 22 shall no longer be a member of the Class . . ."). This testimony is also not "new" as  
 23 it echoes their earlier declarations. *See* Dkt. 45 at 18. And no student knew Trump  
 24 lied about his involvement or it was an illegal enterprise then. As Mohan testified:

25 Q. . . . And you're not aware that the New York State Education  
 26 Department told Donald Trump in 2005 that it was illegal to use the  
 "university" title?

27 <sup>5</sup> Even so, the documents defendant cites are after October 18, 2009, *within the*  
 28 *limitations period*. *See* Dkt. 192-2, Ex. 37 (email dated 12/16/09); Dkt. 192-2, Ex. 27  
 (complaint dated 4/30/10); Dkt. 192-2, Ex. 28 (amended complaint dated 9/ 26/12).

1 A. No, I didn't.

2 Q. And you're not aware that Trump defied that directive from the  
3 New York State Education Department for five years?

4 \* \* \*

5 Q. And you're not aware that's the real reason that they changed the  
6 name?

7 [A.] No.

8 Ex. 4, Mohan Tr. at 168:13-169:8; Ex. 3, Gunn Tr. at 156:16-157:15; Ex. 5, Nielsen  
9 Tr. at 158:24-159:11; Ex. 10, Canup Tr. at 226:21-227:24; Ex. 1, Amy H. Tr. at  
10 116:19-118:2. And Canup believed that Trump was substantively involved:

11 Q. . . . Did anyone tell you, for example, that Donald Trump would  
12 be writing the curriculum for the wealth preservation seminar that was  
13 part of the Gold Elite package?

14 [A.] No. As a matter of fact, they emphasized that -- that ***Donald  
Trump's involvement was selecting people that were experienced in  
their -- in specific specialties for real estate investing*** and that it was  
15 their experiences that were being presented.

16 \* \* \*

17 Q. During the three-day program, was there any additional  
18 explanation of the selection or vetting process for the instructors or  
19 mentors that we talked about a few minutes ago? Did Mr. Martin make  
20 any further representations about that?

21 A. Not that I recall other than ***Donald Trump's vetting process was  
very thorough.*** No details on that.

22 Ex. 10, Canup Tr. at 43:2-44:6. Even Colic knew Trump promised his secrets:

23 Q. Do you recall any representations made by Trump University that  
24 you would be learning Donald Trump's personal real estate secrets?

25 A. Well, I don't think his secrets are really secrets. ***But I think  
somebody said something about that.***

26 Ex. 2, Colic Tr. at 108:23-109:2. Trump has the audacity to suggest "all a student had  
27 to do to learn the nature of Mr. Trump's involvement in TU was ask an instructor."  
28 Def's Mem. at 14. This ignores the fact that instructors followed scripts with  
fabricated stories about their social dinners with Trump and perpetuated such lies as  
"what [Donald Trump] knows about real estate you will learn when you become part

of Trump University.” Ex. 14 at TU 154668. TU’s most prolific speaker (and ex-  
con), James Harris, promised Trump would be their friend too. Ex. 15 at TU 99267.

None of the testimony cited by defendant proves that any Class Member was on  
notice of the utter failure of Trump to deliver on his promises or the material omission  
about the legitimacy of his university, which he failed to disclose was operating  
illegally during the entire class period. Trump has failed to show that his SOL defense  
is likely to raise any individual issues that will predominate over the common ones.

## 2. Trump’s SOL Argument Remains Hypothetical

Trump acknowledges this “Court correctly held that the presence of potential  
statute-of-limitations issues does not, alone, defeat class certification” (Def’s Mem. at  
7), but goes on to rehash his hypothetical SOL argument. But as one court put it:

Because the legal effect of Safeway’s affirmative defenses has not  
yet been established, questions of law or fact common to class members  
continue to predominate over any questions affecting only individual  
members. Safeway puts the cart before the horse by asking the Court to  
decertify the class when the Court has not even resolved whether those  
class members who continued to use Safeway’s online shopping service  
after learning of the markup waived their right to recover or otherwise  
consented to the markup. . . . The Court’s position, stated in its  
certification order, has not changed: these legal determinations can be  
made on a classwide basis and the Court can then, if necessary,  
subdivide the class as appropriate.

*Rodman v. Safeway Inc.*, No. 11-cv-03003-JST, 2015 U.S. Dist. LEXIS 65255, at \*9-  
\*10 (N.D. Cal. May 14, 2015).

Here, any way that one looks at it, it is obvious Trump’s SOL defense is merely  
a hypothetical one. One need not look any further than Trump’s motion for summary  
judgment – filed the same day as this motion – to confirm that fact. Of all the reasons  
that Trump contends this Court should grant summary judgment, the SOL is  
completely MIA. *See* Dkt. 180-1. Given Trump has no **actual** SOL defense as to any  
**actual** plaintiff, all he can muster is an even weaker version of the hypothetical  
argument he lost at the class certification stage. *See* Dkt. 45 at 1, 4, 6-8. In  
abandoning his SOL argument on summary judgment, Trump concedes it has no legs.



### 3. Defendant Mischaracterizes the Standard for Notice

Trump also mischaracterizes the law as to what is required to put plaintiff on notice. For example, defendant cites to *O'Connor v. Boeing N. Am., Inc.*, 92 F. Supp. 2d 1026 (C.D. Cal. 2000), but the Ninth Circuit **overruled** that decision, holding instead a plaintiff's "suspicion of a causal link [is] insufficient." *See O'Connor v. Boeing N. Am., Inc.*, 311 F.3d 1139, 1148 (9th Cir. 2002). Thus, defendant is dead wrong to assert the plaintiffs in *O'Connor* were on notice because they "**suspected**" that the contamination caused his lymphoma. Def's Mem. at 8 (emphasis in original).

Moreover, defendant's citation to three district court decisions from *O'Connor v. Boeing N. Am., Inc.*, to argue individual SOL issues **can** defeat certification is unavailing as that case presented a very rare scenario worlds away from the facts of this case. *See* Def's Mem. at 7-8 (citing 184 F.R.D. 311 (C.D. Cal. 1998); 92 F. Supp. 2d 1026 (C.D. Cal. 2000); 197 F.R.D. 404 (C.D. Cal. 2000)). There, plaintiffs alleged that defendant released radioactive contaminants into their community over a 50-year period, causing property damage, cancer, and death. *See* 184 F.R.D. at 317. The court wrestled with the feasibility of defining a class on several points, such as the boundaries of the affected area, variance and indeterminate nature of injuries among class members, and the lengthy class period. *See id.* at 319-20, 327, 329. Despite these difficulties, the court certified three separate classes. *Id.* at 342. Thereafter, the court granted summary judgment against some class members after substantial evidence of notice, including plaintiff declarations, public studies demonstrating injury, and examples of "aggressive" media coverage. *See* 92 F. Supp. 2d at 1042, 1047. Thereafter, defendants brought a motion to decertify the class. 197 F.R.D. 404. The court granted the motion, noting "the significant impact of the summary judgment order" and the "individualized, fact-intensive nature of the necessary inquiry **in this case.**" *Id.* at 411, 414. The court listed "several factors that varied from individual to individual," including the "residency history of each Plaintiff" and noted that "no one factor was determinative of the ultimate result." *Id.* at 411. In sum, *O'Connor*

presented complexities and individual issues not present here, such as unverifiable injuries, a 50-year class period, and summary judgment against some class members but not others. Trump does not come close to demonstrating that this case is one of those “rare” instances in which SOL issues could warrant decertification. *See Tait v. BSH Home Appliances Corp.*, 289 F.R.D. 466, 486 (C.D. Cal. 2012).

Finally, defendant argues that decertification is necessary when fraud allegations involve affirmative misrepresentations (Def’s Mem. at 8), but this ignores this Court’s class certification order and others like it. *See, e.g., Schramm v. JPMorgan Chase Bank, N.A.*, No. LA CV09-09442 JAK (FFMx), 2011 U.S. Dist. LEXIS 122440, at \*1, \*31 (C.D. Cal. Oct. 19, 2011) (granting certification in a case involving affirmative misrepresentations). In any event, whatever students thought “university” meant, it was not an entity that was so unqualified that authorities warned Trump it was illegal to call it a “university” and yet he defied that directive for the entire class period. In other words, “university” is a fraudulent omission as well.

#### 4. The SOL Was Tolloed Classwide under *American Pipe*

Another reason to reject defendant’s argument is that the SOL was tolloed classwide under *American Pipe & Constr. Co. v. Utah*, 414 U.S. 538, 554 (1974)). *American Pipe* held that “‘the commencement of a class action suspends the applicable statute of limitations as to all asserted members of the class who would have been parties had the suit been permitted to continue as a class action.’” *Crown, Cork & Seal Co. v. Parker*, 462 U.S. 345, 349 (1983) (quoting *Am. Pipe*, 414 U.S. at 554). This ensures class members are not prejudiced for the patience necessary to achieve the efficiency of bringing together claims as a class action. *See id.* at 352.

“*American Pipe* stated that where the litigation gave the defendants notice of the ‘potential plaintiffs who may participate [and] the essential information necessary to determine . . . the subject matter [of the litigation],’ tolling applies.” *Hrdina v. World Sav. Bank*, No. C 11-05173 WHA, 2012 U.S. Dist. LEXIS 12252, at \*7-\*8 (N.D. Cal. Jan. 31, 2012) (quoting *Am. Pipe*, 414 U.S. at 554-55). Thus, the Ninth



Circuit has applied *American Pipe* tolling in cases where the claims are not identical. *See Tosti v. Los Angeles*, 754 F.2d 1485, 1489 (9th Cir. 1985) (“We find no persuasive authority for a rule which would require that the [subsequent] suit must be identical in every respect to the class suit for the statute to be tolled.”). As the Central District of California held, “the cause of action in a subsequent complaint need not be identical to that in a previous complaint for *American Pipe* tolling to apply, as long as the claims ‘concern the same evidence, memories, and witnesses as the subject matter of the original class suit’ so that ‘the defendant will not be prejudiced.’” *Me. State Ret. Sys. v. Countrywide Fin. Corp.*, No. 2:10-CV-0302 MRP (MANx), 2011 U.S. Dist. LEXIS 125203, at \*54-\*56 (C.D. Cal. May 5, 2011). The subsequent action “need only share a factual and legal relationship such that the defendant would likely rely on the same evidence or witnesses to put on its defense.” *Jenson v. Allison-Williams Co.*, No. 98-CV-2229 TW (JFS), 1999 U.S. Dist. LEXIS 22170, at \*14 (S.D. Cal. Aug. 23, 1999). This makes perfect sense as the relation-back doctrine under Rule 15 extends to any claim “that arose out of the conduct, transaction, or occurrence set out – or attempted to be set out – in the original pleading.” Fed. R. Civ. P. 15(c)(1)(B).

Here, applying *American Pipe* would not subject Trump to any unfair surprise as charges against him arise from the same transactions and wrongful acts as those identified in the *Low* complaints in which he was named. *See Me. State Ret. Sys.*, 2011 U.S. Dist. LEXIS 125203, at \*55-\*56. In fact, in seeking to consolidate this case with *Low*, defendant judicially admitted that these actions “arise out of substantially the same facts and involve similar claims by former students of the “Trump University” Live Events.” Dkt. 150 at 1. Had the *Low* plaintiffs added a RICO claim by the July 31, 2012 deadline (*Low* Dkt. 108), that claim would have related back to the original filing date of April 30, 2010 under Rule 15 – as to both named plaintiffs and class members. It was only after July 31, 2012, that absent class members like Cohen, were put on notice that a RICO claim was not being pursued in *Low*. Therefore, the only way to ensure that Class Members do not suffer prejudice

1 due to their patience is to toll the SOL for the RICO claim until July 31, 2012. That  
 2 means that the RICO class claim filed by Cohen in October 2013 was timely for all.

### 3 **F. Decertification of Damages Is Not Warranted at this Time**

#### 4 **1. The Basis for Decertifying Restitutionary Damages in** 5 ***Low* Is Inapplicable to the RICO Claim in *Cohen***

6 Defendant's damages arguments are on a feedback loop. In opposing class  
 7 certification in *Cohen*, defendant "offer[ed] evidence of evaluations showing different  
 8 amounts of approval for TU programs, claiming that this evidence 'belies any claim  
 9 that the TU programs were worthless when class members remain happy and satisfied  
 10 with their experience at TU . . . and are now successful in real estate and have made  
 11 profitable investments using the tools and strategies taught by TU.'" Dkt. 53 at 20  
 12 (quoting Dkt. 45 at 24-25). In rejecting defendant's argument, this Court  
 13 distinguished the statutory trebled damages available under RICO from the  
 14 restitutionary damages available under the state law claims in *Low*:

15 Here, the Court finds that Plaintiff's damages model matches  
 16 Plaintiff's theory of liability. Although some courts have found a "full  
 17 refund" model of damages inappropriate where the plaintiff's theory of  
 18 liability seeks restitutionary damages, see *Werdebaugh v. Blue Diamond*  
 19 *Growers*, No. 12-cv-02724-LHK, 2014 WL 2191901 at \*22 (N.D. Cal.  
 20 Oct. 2, 2013), Plaintiff brings this claim under RICO, which provides for  
 21 statutory trebled damages, attorney's fees, and cost of suit, 18 U.S.C.  
 22 §1964(c). "[D]amages under RICO do not depend on subjective  
 23 valuations, but rather on objective losses." *Negrete v. Allianz Life Ins.*  
 24 *Co. of N. Am.*, Nos. CV 05-6838 CAS (MANx), CV 05-8908 CAS  
 25 (MANx), 2013 WL 6535164 at \*4 (C.D. Cal. Dec. 9, 2013). The Court  
 26 therefore finds that while Plaintiff must still prove its damages case, his  
 27 theory of damage recovery does not conflict with his theory of liability  
 28 under *Comcast*. Accordingly, the Court finds that individualized  
 questions as to damages do not defeat predominance in this case.

Dkt. 53 at 21.

23 Seizing on this Court's statement that "some courts have found a 'full refund'  
 24 model of damages inappropriate where the plaintiff's theory of liability seeks  
 25 restitutionary damages" (*id.*), defendants moved for decertification in *Low*.  
 26 Defendants argued that students' subjective valuations should be considered in  
 27 assessing restitution. See *Low* Dkt. 380-1 at 4, 6-9. In its order, the Court  
 28

distinguished *Low* from *Werdebaugh* and other cases involving tangible items (*Low* Dkt. 418 at 11-12), but bifurcated and decertified damages based on defendants' contention that the "value" received depended on the student's subjective assessment. *See* Dkt. 380-1 at 6-9. The Court held that restitutionary awards would begin with the "baseline" of what each student paid, with the potential for defendants to "support an offset" depending on her assessment at the damages phase. *See Low* Dkt. 418 at 19.

Emboldened by *Low*'s decertification order, defendant now brings the argument full circle, arguing that the opt-outs' subjective value assessments raise individualized damages questions in *Cohen* too. *See* Def's Mem. at 24 (citing testimony of opt-outs Colic, Gunn, Levand, Nielsen and rebuttal experts largely based on same testimony). But as this Court already held: "[D]amages under RICO do not depend on subjective valuations, but rather on objective losses." Dkt. 53 at 21 (alteration in original). Thus, in addition to being irrelevant generally (§IV.C.), these students' subjective valuations are irrelevant to RICO damages specifically. *See id.* Similarly, defendant's rebuttal experts are irrelevant to the extent they parrot students' subjective valuations. *See, e.g.,* Dkt. 187-1 at 6-12. Moreover, defendant's experts are only for rebuttal purposes and will be called to testify *only* if plaintiff calls his experts at trial and *only* on those issues upon which plaintiff's experts opine. *See* Dkts. 184-1 at 1, 187-1 at 1, 189-1 at 1. Finally, to the extent that defendant's rebuttal "experts" are permitted to draw similarities to other known scams, this is a form of common proof that poses no barrier to certification. *See* Dkt. 187-1 at 12-14 (citing Rich Dad Poor Dad); *see also* Ex. 16 (exposé about Rich Dad Poor Dad). As defendant has not come forward with any substantial evidence demonstrating that plaintiff cannot "show that [his] damages stemmed from the defendant's actions that created the legal liability," class certification is still proper. *See Hatamian v. Advanced Micro Devices, Inc.*, No. 14-cv-00226 YGR, 2016 U.S. Dist. LEXIS 34150, at \*24-\*26 (N.D. Cal. Mar. 16, 2016) (quoting *Leyva v. Medline Indus.*, 716 F.3d 510, 514 (9th Cir. 2013)).

If a few outliers still exist, despite all the facts to the contrary, they could opt

1 out. As the Ninth Circuit found, “victims of con artists often sing the praises of their  
 2 victimizers until the moment they realize they have been fleeced.” *Makaeff v. Trump*  
 3 *Univ., LLC*, 715 F.3d 254, 271 (9th Cir. 2013) (analogizing this case to “Ponzi-  
 4 scheme scandals involving onetime financial luminaries like Bernard Madoff and  
 5 Allen Stanford”). That a few remain deceived or seek to curry favor with Trump  
 6 cannot defeat the claims of the many others who were fleeced. *See* Dkt. 46 at 3-4.

## 7                   **2. “Simple” Bifurcation Is the Best Solution**

8           To avoid juror confusion, streamline the trial, and address defendant’s concerns  
 9 about individual damages issues, the Court should bifurcate liability from damages so  
 10 that common liability issues may be tried first and then the Court could revisit whether  
 11 damages should be decertified, if and when plaintiff prevails on liability issues.

12           The Ninth Circuit approves bifurcation with a wait-and-see approach on  
 13 decertification of damages. *See* Newberg §§11.1, 11.6, 11.9 (section 11.6 describes  
 14 “simple” bifurcation scheme when “only if the class succeeds in the liability phase  
 15 will the court then turn to address the damage issue”); *see, e.g., Pom Wonderful LLC*  
 16 *v. Welch Foods, Inc.*, 468 F. App’x 688, 689 (9th Cir. 2012) (affirming bifurcation  
 17 decision); *Hopkins v. Dow Corning Corp.*, 33 F.3d 1116, 1119 (9th Cir. 1994) (“The  
 18 case was bifurcated so that issues regarding liability would be determined first, and if  
 19 needed, a second trial on damages would be held.”) (cited in *O’Connor*, 92 F. Supp.  
 20 2d at 1044, which Def’s Mem. at 8 cites); *Gable v. Land Rover N. Am., Inc.*, No.  
 21 SACV 07-0376 AG (RNBx), 2011 U.S. Dist. LEXIS 90774, at \*17-\*18 (C.D. Cal.  
 22 July 25, 2011) (“Accordingly, the trial [in class this action] shall be bifurcated into (1)  
 23 a liability phase and (2) a damages phase.”); *Jaroslawicz v. Engelhard Corp.*, 724 F.  
 24 Supp. 294, 302-03 (D.N.J. 1989) (“[I]t is well settled that the issue of liability may be  
 25 tried separately from the damage claims of individual class members.”); *see also*  
 26 Manual for Complex Litigation Fourth, §21.5 (“In jury cases, the court may consider  
 27 trying common issues first, preserving individual issues for later determination.”).

28           Simple bifurcation with a wait-and-see approach on damages will keep the lid

on the Pandora’s box that the parties opened in *Low* with their disputes about how to adjudicate absent class member restitutionary damages once decertified. *See, e.g., Low* Pretrial Order Submissions, dated 4/29/16, 5/4/16, and 5/5/16. Preserving a fully-certified class will provide this Court with the greatest latitude in appointing a special master or otherwise devising a common-sense approach to adjudicating any individual damages issues that remain. *See* 4/29/16 Defs’ Pretrial Order Submission at 9-10 (distinguishing plaintiff’s case *Hilao v. Estate of Marcos*, 103 F.3d 767, 772 (9th Cir. 1996), as a case certified for damages); *see also Leyva*, 716 F.3d at 515 (reversing denial of certification for individual damages issues as “[t]he district court, or a special master appointed under Federal Rule of Civil Procedure 53, could use a similar method to calculate damages once the court adjudicates liability”).

Most importantly, this approach honors the Ninth Circuit’s long-standing rule that individual damages issues do not defeat class certification. *See Leyva*, 716 F.3d at 514 (The “amount of damages is invariably an individual question and does not defeat class action treatment.”) (quoting *Blackie v. Barrack*, 524 F.2d 891, 905 (9th Cir. 1975)). The Court should bifurcate – but not decertify – damages at this time.

#### **G. Even Defendant’s Kitchen-Sink “Combo” Argument Is Old**

In a last ditch effort, defendant throws in the kitchen sink and argues vaguely “there are significant individualized questions as to damages, the statute of limitations, and causation,” and even if one is insufficient, “the combination” of these warrants decertification. Def’s Mem. at 25. As with all others, defendant made this argument in his opposition to class certification (Dkt. 45 at 28), which the Court rejected. *See* Dkt. 53 at 22. The Court should once again reject defendant’s “combo” argument.

DATED: June 3, 2016

Respectfully submitted,  
ROBBINS GELLER RUDMAN  
& DOWD LLP

s/ Rachel L. Jensen  
\_\_\_\_\_  
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CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2016, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on June 3, 2016.

s/ Rachel L. Jensen  
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## Mailing Information for a Case 3:13-cv-02519-GPC-WVG Cohen v. Trump

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Class Counsel

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

ART COHEN, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

DONALD J. TRUMP,

Defendant.

No. 3:13-cv-02519-GPC-WVG

CLASS ACTION

DECLARATION OF RACHEL L.  
JENSEN IN SUPPORT OF  
PLAINTIFF'S MEMORANDUM OF  
POINTS AND AUTHORITIES IN  
OPPOSITION TO DEFENDANT'S  
MOTION FOR DECERTIFICATION

DATE: July 22, 2016  
TIME: 1:30 p.m.  
CTRM: 2D  
JUDGE: Hon. Gonzalo P. Curiel

1 I, Rachel L. Jensen, declare as follows:

2 1. I am an attorney duly licensed to practice before all of the courts of the  
3 State of California. I am a member of the law firm of Robbins Geller Rudman &  
4 Dowd LLP, which serves as Court-appointed Class Counsel in the above-entitled  
5 action. I have personal knowledge of the matters stated herein and, if called upon, I  
6 could and would competently testify thereto.

7 2. I submit this declaration in support of Plaintiff's Memorandum of Points  
8 and Authorities in Opposition to Defendant's Motion for Decertification.

9 3. Attached hereto are true and correct copies of the following exhibits:

10 Exhibit	Description	Page Nos.
11 1	Relevant excerpts from the transcript of the videotaped deposition of Amy H., taken on July 1, 2015;	1-9
12 2	Relevant excerpts from the transcript of the deposition of Marla Rains Colic, taken on May 19, 2015;	10-20
13 3	Relevant excerpts from the transcript of the videotaped deposition of Michelle Gunn, taken October 28, 2014, in <i>Low v. Trump University, LLC</i> , No. 3:10-cv-0940-GPC-WVG;	21-27
14 4	Relevant excerpts from the transcript of the deposition of Meena Mohan, taken on June 10, 2015;	28-33
15 5	Relevant excerpts from the transcript of the videotaped deposition of Mette Nielsen, taken on December 19, 2014, in <i>Low</i> ;	34-41
16 6	TU 198220-22;	42-45
17 7	TU 155015-16;	46-48
18 8	Relevant excerpts from the transcript of the videotaped deposition of Donald J. Trump, taken on January 21, 2016;	49-53
19 9	Relevant excerpts from the transcript of the videotaped deposition of Dr. Michael A. Kamins, Ph.D., taken on April 1, 2016;	54-58
20 10	Relevant excerpts from the transcript of the videotaped deposition of Paul Canup, taken on November 10, 2014, in <i>Low</i> ;	59-65

<b>Exhibit</b>	<b>Description</b>	<b>Page Nos.</b>
<b>11</b>	Relevant excerpts from the transcript of the videotaped deposition of Sonny Low, taken on April 13, 2016, in <i>Low</i> ;	66-68
<b>12</b>	Relevant excerpts from the transcript of the videotaped deposition of Stephen Goff, taken March 19, 2015;	69-71
<b>13</b>	Relevant excerpts from the 2010 PlayBook (TU 52934-53105);	72-75
<b>14</b>	TU 154665-702;	76-114
<b>15</b>	TU 99220-95;	115-191
<b>16</b>	'Rich Dad' seminars deceptive: Marketplace, <i>CBC News</i> (Jan. 29, 2010) (Wallace Tr. Ex. 17); and	192-194
<b>17</b>	Leon H. Wolf, Trump Campaign Releases a Video Defending Trump University...that is Itself a Scam, <i>RedState</i> (June 1, 2016).	195-200

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 3rd day of June, 2016, at San Diego, California.

s/ Rachel L. Jensen  
RACHEL L. JENSEN

CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2016, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on June 3, 2016.

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**Manual Notice List**

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)



# EXHIBIT 1

1 UNITED STATES DISTRICT COURT

2 SOUTHERN DISTRICT OF CALIFORNIA

3 -----x

4 ART COHEN, Individually

5 and on Behalf of All

6 Others Similarly

7 Situated,

8 Plaintiff,

9 -against-

3:13-cv-02519

10 DONALD J. TRUMP,

GPC-WVG

11 Defendant.

12 -----x

13  
14  
15  
16  
17 VIDEOTAPED DEPOSITION OF:

AMY M. H [REDACTED]

18 Wednesday, July 1, 2015

New York, New York

19 10:46 a.m. - 3:09 p.m.

20  
21  
22  
23 Reported in stenotype by:

---- Rich Germosen, CCR, CRCR, CRR, RMR ----

24 NCRA & NJ Certified Realtime Reporter

NCRA Realtime Systems Administrator

25 Job No. 63825

12:09 1 any change or did you make -- want to make any  
2 changes to it?

3 MS. JENSEN: Object to form.

4 Q. Do you remember making any changes to  
12:09 5 your declaration?

6 A. I may have made some slight  
7 modifications, but this is what I put my signature  
8 on.

9 Q. And you understood you were signing  
12:09 10 under the penalty of perjury; correct?

11 A. Yes, I did.

12 Q. And to the best of your knowledge and  
13 understanding is everything that's stated in the  
14 declaration true and correct?

12:09 15 MS. JENSEN: Objection to form and  
16 vague as to time.

17 Q. When you signed it at that time was  
18 everything true and correct?

19 A. At that time, yes.

12:10 20 Q. Do you stand by it now?

21 A. No, I do not.

22 Q. Why not?

23 A. If I knew then what I know now I  
24 wouldn't even be here today.

12:10 25 Q. But at the time that you signed it

12:10 1 you signed it freely; correct?

2 A. I signed it freely.

3 Q. Did you sign it under any duress at  
4 all?

12:10 5 MS. JENSEN: Objection to form.  
6 Speculation.

7 MR. MARON: I'm asking her. This is  
8 her personal knowledge.

9 Q. Did you sign it under any duress at  
12:10 10 all at the time?

11 A. I did not. I was not told of any of  
12 the repercussions that may result of me signing this  
13 and I signed this with all good intentions that  
14 being new and novice in this industry my experience  
12:10 15 was positive as shared in this declaration.

16 Q. And you said before you don't stand  
17 by your declaration now; correct?

18 A. That is correct.

19 Q. Why so?

12:11 20 A. I wouldn't be here today had I known  
21 what I know now back then. I wouldn't have even  
22 enrolled in the Trump University program.

23 Q. And you say what you know. What do  
24 you know now that you didn't know then?

12:11 25 A. Well, when I entered into and wanted

12:11 1 to learn Donald Trump's secrets, his strategies, his  
2 techniques, I thought they -- I truly believed that  
3 they were unique, that Donald Trump implemented and  
4 he was going to share these through his Trump  
12:11 5 University and I wanted to learn from the best. He  
6 had the reputation in the real estate. So I took  
7 the classes with enthusiasm because being new, I was  
8 going to learn all this information that he used in  
9 his real estate dealings.

12:12 10 What I have since learned over time  
11 that the practices that he taught or I should say  
12 his staff taught and the instructors taught really  
13 are standard practices in the industry and nothing  
14 that is unique that Donald Trump did. And there are  
12:12 15 several sources, such as my local real estate club,  
16 that offered the same type of education and -- but I  
17 gave Donald Trump the edge because of his reputation  
18 within the industry and I wanted to learn from the  
19 best. So that was then. That's why I enrolled.

12:13 20 Now I would not have enrolled at all.  
21 I would not have made a declaration because I would  
22 never have been involved in the program.

23 Q. Now, did you come to this change of  
24 heart on your own?

12:13 25 A. No.

12:13 1 Q. Who did you talk to about it?

2 A. Well, obviously I talked to my

3 husband about it.

4 Q. Besides your husband?

12:13 5 A. It was me.

6 Q. Anyone else?

7 A. No.

8 Q. So you just suddenly felt it wasn't

9 worth it?

12:14 10 MS. JENSEN: Objection to form.

11 Argumentative.

12 A. With all the information I started

13 learning in the media because it is Trump's name, he

14 made the headlines, and I saw what was happening,

12:14 15 but I wanted to put all of that in the past. My

16 program was done. I happened to have a good

17 experience because I was new, but I've since learned

18 that what I was taught didn't give me any

19 competitive edge that I was hoping it would because

12:14 20 there are other resources that I could have tapped

21 into to learn the same principles and techniques.

22 Q. Okay.

23 MR. MARON: I wanted to mark --

24 obviously, I've got a couple of questions about

12:15 25 Ms. H [REDACTED]'s financial situation. You can invoke

02:28 1 were concerned about being videotaped; correct?

2 A. That is correct.

3 Q. And why was that? Why were you  
4 concerned?

02:28 5 A. I was very concerned about my  
6 personal and business reputation being on tape,  
7 being associated with this whole Trump University  
8 class action. It was not something I wanted out  
9 there in the public space.

02:28 10 Q. And do you have a concern that any  
11 public association with Trump University would cause  
12 harm to your businesses?

13 A. Yes, I do.

14 Q. Today Mr. Maron asked you a number of  
02:28 15 questions about the declaration that you had signed  
16 in the Makaeff action.

17 Do you recall that?

18 A. Yes, I do.

19 Q. At the time that you had signed your  
02:29 20 declaration, had anybody told you that the New York  
21 State Education Department had specifically directed  
22 Mr. Trump in 2005 to stop using the university  
23 title?

24 A. No, I was not informed of any type of  
02:29 25 ongoing litigation or matters.



02:29 1 Q. At the time that you signed your  
2 declaration, nobody had told you that the New York  
3 State Education Department told Mr. Trump it was  
4 unlawful to operate his business without a license  
02:29 5 in the State of New York?

6 A. No, I was not.  
7 MR. MARON: Objection. Misleading.  
8 She can answer.

9 A. I was not told.

02:29 10 Q. And no one at that time had told you  
11 that Trump University had evaded the New York State  
12 Education Department's directive by setting up a  
13 fictitious office in Delaware by continuing to  
14 operate in the State of New York; correct?

02:29 15 MR. MARON: Objection. Misleading.  
16 Argumentative.

17 A. No, I was not shared that  
18 information.

19 Q. And nobody had told you at the time  
02:30 20 you provided your declaration that Mr. Trump  
21 continued to run Trump University without a license  
22 in violation of New York State law?

23 MR. MARON: Objection. Same  
24 instruction. Same objection. Also lacks  
02:30 25 foundation.

02:30 1 Go ahead.

2 A. No, I was not told.

3 Q. Did anybody tell you that in 2010 the

4 New York State Education Department told Trump

02:30 5 University to refund all current students' monies?

6 A. No, I did not.

7 MR. MARON: Same instruction. Same

8 objection.

9 Q. Are you aware that since then, a New

02:30 10 York State court has found that Trump was illegally

11 operating Trump University without a license?

12 MR. MARON: Objection. Misleading.

13 Argumentative.

14 A. I read something in the media, but I

02:30 15 haven't paid too much attention to it so I don't

16 know what -- where the status is now.

17 Q. And are you aware now that the New

18 York Attorney General has sued Mr. Trump and Trump

19 University for fraud?

02:30 20 A. Yes, I have seen that.

21 Q. You didn't have the benefit of any of

22 this information when you signed your declaration;

23 correct?

24 A. That is correct.

02:31 25 Q. And you weren't aware that Mr. Trump

# EXHIBIT 2

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

ART COHEN, individually and )  
on behalf of all others )  
similarly situated, )  
 )  
Plaintiffs, ) No. 13-CV-2519 GPC (WVG)  
 )  
vs. )  
 )  
DONALD J. TRUMP, )  
 )  
Defendant. )

DEPOSITION OF MARLA RAINS COLIC  
TAKEN ON BEHALF OF THE DEFENDANT  
May 19, 2015

09:20:06 1 not want her representation from that.

09:20:08 2 Q Did Ms. Jensen explain to you your potential legal  
09:20:12 3 rights as a class member?

09:20:13 4 A I really don't remember if she did or not. She might  
09:20:17 5 have. I don't remember.

09:20:17 6 Q Did she explain to you that you had the right to opt  
09:20:20 7 out of the class and not be a participant in the litigation?

09:20:24 8 MR. PFEFFERBAUM: Objection. Form.

09:20:27 9 THE WITNESS: I really don't remember if she did or  
09:20:30 10 not.

09:20:30 11 BY MR. MORRIS:

09:20:30 12 Q Did you tell Ms. Jensen that you -- I think you said  
09:20:32 13 you told Ms. Jensen you didn't want to be a part of the class  
09:20:34 14 action?

09:20:34 15 A I did. I told her I don't want to be part of the  
09:20:36 16 class.

09:20:37 17 Q Did you tell your you didn't want to be represented by  
09:20:39 18 her at the deposition today?

09:20:40 19 A Yes, I did.

09:20:41 20 Q Also, you didn't want to be represented by her in the  
09:20:43 21 litigation?

09:20:43 22 A That's correct. I wanted off of it completely.

09:20:45 23 Q Prior to that conversation with Ms. Jensen two or three  
09:20:52 24 weeks ago had you had any other conversations with any counsel  
09:20:54 25 for Plaintiffs?

11:15:04 1 A That is correct. And I trust the paper more than my  
11:15:07 2 memory. That sounds about right.

11:15:09 3 Q And on the second page of this under the rating for,  
11:15:17 4 about halfway down, understood my concerns. You actually gave  
11:15:20 5 Mr. Derrick a ten, which is, I believe, you're -- what were you  
11:15:25 6 trying to impart by rating him a ten on that statement that he  
11:15:29 7 understood your concerns?

11:15:30 8 A Okay. So, I took the class in September. My house  
11:15:40 9 burns down in October. I have an eight month old who I run out  
11:15:46 10 of a burning house with. I end up having a nervous breakdown.  
11:15:49 11 I end up in a psych ward and -- all in October.

11:15:53 12 And in March he has this with me. I have a lot of  
11:15:58 13 concerns in life, but I'm plowing ahead. And I'm doing the  
11:16:02 14 mentorship regardless of all my personal issues. So, you'd  
11:16:08 15 probably give him a ten too.

11:16:11 16 Q And you feel like he tailored the mentorship  
11:16:14 17 specifically to you and your family?

11:16:14 18 A Specifically, yes.

11:16:16 19 Q I want to talk to you a little bit about what you did  
11:16:20 20 with the information that you learned while you were at Trump  
11:16:22 21 University. And we've talked a little bit about some of the  
11:16:25 22 properties that you've purchased since then.

11:16:27 23 Can you describe the efforts that you made after  
11:16:30 24 attending the Trump University seminars to put the real estate  
11:16:34 25 teachings into effect?

11:39:35 1 Donald Trump, a lot of the people that write books about  
11:39:39 2 wealth generations, I had been kind of attracted to those --  
11:39:42 3 those sorts of books. And I had read a lot of Donald  
11:39:45 4 Trump's books and been interested in what he had  
11:39:48 5 accomplished. I didn't know a lot, but I knew enough to  
11:39:52 6 know that this is somebody who, minus the celebrity part,  
11:39:54 7 was somebody that had taken really not a lot and made it  
11:39:58 8 into an empire. So, I was curious about that.

11:40:03 9 But I fully understood that I wasn't going to meet  
11:40:05 10 the man. I was just attending a seminar that was part of  
11:40:09 11 his umbrella of companies. So I expected excellence and  
11:40:13 12 that's what I got. That's what we got. It was an  
11:40:15 13 excellent -- I felt like it was an excellent mentorship and  
11:40:18 14 program.

11:40:19 15 BY MR. MORRIS:

11:40:19 16 Q Do you feel like the instructors and the mentors that  
11:40:23 17 were provided to teach you were experts in the subject matters  
11:40:26 18 they were presenting?

11:40:27 19 MR. PFEFFERBAUM: Objection to form.

11:40:28 20 THE WITNESS: Yes, and I expected nothing less than  
11:40:31 21 that.

11:40:32 22 BY MR. MORRIS:

11:40:37 23 Q Do you recall any representations made by Trump  
11:40:40 24 University that you would be learning Donald Trump's personal  
11:40:42 25 real estate secrets?



11:40:44 1 A Well, I don't think his secrets are really secrets.

11:40:50 2 But I think somebody said something about that. I remember  
11:40:53 3 hearing that phrase. And listen, that's a bunch of marketing  
11:40:58 4 BS. Because nobody's secrets are truly secrets. This  
11:41:02 5 information is out. But the thing is, is that not everybody  
11:41:08 6 accesses the information.

11:41:09 7 Accessing the information is difficult to do. And my  
11:41:11 8 husband and I both knew that we needed to gain those secrets  
11:41:17 9 from someone that -- that really knew the business, and the  
11:41:24 10 information is out there, but it takes someone with a lot of  
11:41:27 11 courage to actually execute this.

11:41:29 12 The real estate information is out there, but it takes  
11:41:32 13 hard work, determination, a back bone and the ability to do what  
11:41:36 14 other people don't want to do. I would rather have spent that  
11:41:39 15 money -- I've spent so much money on real estate and these  
11:41:41 16 courses I could have bought myself many luxury cars since then.  
11:41:45 17 So, it's just a matter of making the choices that you want to.  
11:41:49 18 This is an investment, right, for the future.

11:41:51 19 Q Do you feel like Trump University packaged the  
11:41:56 20 information that they provided you in a digestible manner?

11:42:00 21 MR. PFEFFERBAUM: Objection to form vague.

11:42:02 22 THE WITNESS: Yes. It was digestible. It was --  
11:42:06 23 it was very quick moving. It was -- they wasted no time.  
11:42:12 24 So they -- they went at a kind of a break-neck -- break-neck  
11:42:17 25 speed, but it was very digestible for sure.

12:06:22 1 Q Did anyone ever tell you that the New York State  
12:06:25 2 Education Department told Donald Trump in 2005 it was illegal to  
12:06:30 3 use the university as title for Trump University?  
12:06:33 4 A Yes.  
12:06:34 5 MR. MORRIS: Objection. Lacks foundation.  
12:06:37 6 THE WITNESS: Yes, I am aware of that. I don't  
12:06:39 7 know if anybody told me, but I'm aware of that information.  
12:06:42 8 BY MR. PFEFFERBAUM:  
12:06:42 9 Q When did you become of aware of that information?  
12:06:44 10 A I don't remember. Well, let me -- it I would say 2012,  
12:06:49 11 something like that.  
12:06:50 12 Q Would you say it was before or after you signed your  
12:06:54 13 declaration?  
12:06:54 14 A Oh, Dan, I just don't know. I'm sorry.  
12:07:01 15 Q Did anyone tell you that Trump defied the directive  
12:07:09 16 from the New York State Department of Education to stop using  
12:07:12 17 the name using the title university?  
12:07:17 18 A No, I didn't know that.  
12:07:19 19 MR. MORRIS: Objection to form. Argumentative.  
12:07:21 20 Lacks foundation.  
12:07:21 21 BY MR. PFEFFERBAUM:  
12:07:22 22 Q Did anyone tell you that in 2005 the New York State  
12:07:24 23 Education Department told Trump he was illegally operating  
12:07:27 24 without a license?  
12:07:29 25 MR. MORRIS: Objection to form. Argumentative.

12:07:31 1 Lacks foundation.

12:07:31 2 THE WITNESS: I do not know that.

12:07:33 3 BY MR. PFEFFERBAUM:

12:07:33 4 Q Did anyone tell you that Trump lied to the New York  
12:07:37 5 State Education Department that it had moved to Delaware while  
12:07:41 6 continuing to operate out of New York?

12:07:43 7 MR. MORRIS: Objection to form. Argumentative.

12:07:44 8 Lacks foundation.

12:07:45 9 THE WITNESS: I didn't know that either.

12:07:47 10 BY MR. PFEFFERBAUM:

12:07:47 11 Q Did anyone tell you that the New York State Department  
12:07:51 12 of Education told Trump University that it must refund all  
12:07:55 13 current students' money?

12:07:56 14 MR. MORRIS: Objection to form. Lacks foundation.

12:07:58 15 THE WITNESS: No one told me that.

12:07:59 16 BY MR. PFEFFERBAUM:

12:08:00 17 Q You're aware that the New York Attorney General has  
12:08:03 18 sued Trump University, correct?

12:08:04 19 A I'm aware of that, yes. Uh-huh.

12:08:06 20 Q And are you aware that the -- a New York State Court  
12:08:09 21 has found that Trump was illegally operating Trump University  
12:08:13 22 without a license?

12:08:13 23 MR. MORRIS: Objection to form.

12:08:14 24 THE WITNESS: I'm not aware of that.

25 ///

12:08:16 1 BY MR. PFEFFERBAUM:

12:08:19 2 Q Had you been told that Trump University was unlawfully  
12:08:22 3 operating would you have signed your declaration?

12:08:25 4 MR. MORRIS: Objection to form. Lacks foundation.

12:08:27 5 THE WITNESS: Yeah, I still would have signed it.

12:08:32 6 I'm fully aware that what goes on behind the scenes  
12:08:35 7 politically. And I'm not necessarily -- board of education  
12:08:38 8 this or that or the court system in New York says something  
12:08:42 9 that doesn't necessarily mean that the information is still  
12:08:44 10 not valuable to me. I still would have signed the  
12:08:48 11 declaration. I still think that this was for me personally  
12:08:50 12 a great, a great program.

12:08:53 13 BY MR. PFEFFERBAUM:

12:08:53 14 Q So, you -- you would have signed your name to a  
12:09:00 15 declaration in support of what has been found an illegal  
12:09:04 16 institution?

12:09:04 17 MR. MORRIS: Objection. Form. Argumentative.  
12:09:07 18 Lacks foundation.

12:09:07 19 THE WITNESS: The word illegal doesn't scare me.  
12:09:11 20 So, yes, I would have.

12:09:12 21 BY MR. PFEFFERBAUM:

12:09:13 22 Q Earlier we talked about your experience at the two-day  
12:09:20 23 program with James Harris?

12:09:22 24 A Yes. Two-day. Yes.

12:09:24 25 Q Were you aware that Mr. Harris was paid on commission

12:20:28 1 the page where it says: I'm sorry that Trump organization; do  
12:20:31 2 you see that?

12:20:31 3 A Yes, I see it.

12:20:32 4 Q Can you read that those that sentence into the record,  
12:20:35 5 please?

12:20:35 6 A I'd be happy to.

12:20:37 7 I'm sorry that the Trump organization must be burdened  
12:20:39 8 by money hungry snakes being directed by devilish lawyers. I  
12:20:42 9 can only speak for myself, this is a matter of personal  
12:20:45 10 accountability.

12:20:45 11 Q That's good. Thank you.

12:20:46 12 A Okay.

12:20:47 13 Q What exactly did Ms. O'Halloran tell you -- let me ask  
12:20:55 14 you this first: Was the phone call from Ms. O'Halloran the  
12:20:58 15 first time you learned of this litigation?

12:21:01 16 A No, no. I've known about it since before that, I  
12:21:05 17 think. I think. I don't remember. It was all around that  
12:21:08 18 time.

12:21:12 19 And by the way, the sentence that I just spoke that is  
12:21:16 20 my personal opinion, that has nothing to do with what  
12:21:19 21 Ms. O'Halloran talked to me about.

12:21:20 22 Q Where did you develop the opinion that this lawsuit was  
12:21:29 23 driven by money hungry snakes being directed by devilish  
12:21:32 24 lawyers?

12:21:32 25 A Because the whole entire thing to me seems very bogus.

12:27:49 1 Q So in -- you chose Trump University in part because of  
12:27:54 2 Donald Trump's association with it, correct?

12:27:56 3 MR. MORRIS: Objection to form.

12:27:57 4 THE WITNESS: Yeah, I would state that. Yeah.

12:28:00 5 BY MR. PFEFFERBAUM:

12:28:00 6 Q And --

12:28:00 7 A I mean, if it was Dan University teaching about Dan  
12:28:04 8 real estate I would be like, who's Dan? You know what I mean?

12:28:06 9 Q Absolutely.

12:28:07 10 And you thought that the, for example, a Trump mentor  
12:28:14 11 would be someone that would you'd associate with the same  
12:28:18 12 standards?

12:28:20 13 MR. MORRIS: Object to form.

12:28:21 14 THE WITNESS: I expected that. Yes, I did.

12:28:23 15 BY MR. PFEFFERBAUM:

12:28:23 16 Q And did having a Trump certified mentor give you  
12:28:33 17 confidence?

12:28:34 18 A So --

12:28:35 19 MR. MORRIS: Same objection.

12:28:36 20 THE WITNESS: So, I don't know. I mean, I assumed  
12:28:39 21 that they were certified under that program. Whether or not  
12:28:41 22 that mentor had met Donald Trump and gotten the blessing,  
12:28:45 23 the Trump blessing, I did not assume that. But it did give  
12:28:47 24 me some kind of confidence.

12:28:51 25 Parallel to that I also remember asking Mr. Derrick

# EXHIBIT 3



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

TARLA MAKAEFF, SONNY LOW, J.R. EVERETT,	)	
AND JOHN BROWN, on behalf of themselves	)	
and all others similarly situated, ED	)	
OBERKROM, and BRANDON KELLER,	)	
individually,	)	
	)	
Plaintiffs,	)	
	)	Case No.:
vs.	)	10-cv-00940 GPC (WVG)
	)	
TRUMP UNIVERSITY, LLC (aka Trump	)	
Entrepreneur Initiative), a New York	)	
Limited Liability Company, DONALD J.	)	
TRUMP, and DOES 1 through 50, inclusive,	)	
	)	
Defendants.	)	
	)	

---

Videotaped Deposition of MICHELLE GUNN

NONCONFIDENTIAL PORTION

(Page Nos. 1-179, 192-222, 226-244)

Tuesday, October 28, 2014

Reported by Lindy DeBoer, RPR, CSR No. 5405

09:21:36 1 of my rights since I was a purchaser or a client or a  
09:21:40 2 student of the program, and if I wanted representation I  
09:21:45 3 would have it from her, I had a right to also third-party  
09:21:48 4 representation, to be able to share my experience or my  
09:21:52 5 story and/or opt out, which meant I had no representation  
09:21:55 6 here today.

09:21:57 7 Q And did you make a decision as to -- you  
09:22:00 8 mentioned earlier when I asked you if you were  
09:22:02 9 represented by counsel, you said no.

09:22:04 10 So have you made a decision about whether or not  
09:22:06 11 you want to be represented by plaintiffs' counsel at this  
09:22:09 12 point in time?

09:22:10 13 A Yes. And I told her today that I wouldn't need  
09:22:13 14 representation. So opting out of the class-action, but  
09:22:17 15 also not needing representation, just as I'm not  
09:22:20 16 represented by you folks.

09:22:25 17 Q Thank you.

09:22:27 18 Did any of her communications suggest to you  
09:22:31 19 that somehow her -- let me strike that and ask it a  
09:22:36 20 better way.

09:22:37 21 Did you have any discussion with her about your  
09:22:39 22 appearance here at today's deposition?

09:22:43 23 A In any of the calls?

09:22:45 24 Q Yes.

09:22:45 25 A I would assume so. Because the first time last

10:03:58 1 contractor in that market. Different ways to finance  
10:04:04 2 than traditionally going into a bank and getting a  
10:04:07 3 traditional loan. And those were the things that we  
10:04:10 4 wanted to learn a little more of. How to tweak our  
10:04:13 5 business since the times had tweaked on us and different  
10:04:17 6 ways to remain in business, if not accelerate.

10:04:22 7 Q All right. Now let's turn to the three-day.

10:04:24 8 Are you doing okay? Do you need a break?

10:04:26 9 A No.

10:04:26 10 Q Okay. So you attended the three-day seminar in  
10:04:32 11 June of 2010, correct?

10:04:33 12 A June 4 through the 7th.

10:04:35 13 Q All right. And do you remember where that was?

10:04:39 14 A The -- Lynwood, Washington, and I believe it was  
10:04:41 15 at the Embassy Suites.

10:04:43 16 Q Okay. And do you remember how many people  
10:04:46 17 attended the three-day seminar along with you?

10:04:50 18 A In the room? Probably 25 to 30.

10:04:57 19 Q And who else from your family attended with you?

10:05:02 20 A I attended all three days, my mother attended  
10:05:05 21 all three days, and both of my sons attended all three  
10:05:08 22 days.

10:05:08 23 Q Okay. And Houston's here. But what's your  
10:05:10 24 other son's name?

10:05:12 25 A Austin.

02:19:36 1 or at any point up until when you signed this  
02:19:40 2 declaration, did anybody inform you that not only was  
02:19:46 3 Trump University not an accredited university, but that  
02:19:50 4 it had been -- but the -- strike that.

02:19:53 5 At any point up until when you signed this  
02:19:55 6 declaration, did anybody inform you that not only was  
02:20:01 7 Trump University not a university, but that the New York  
02:20:05 8 State Education Department had specifically told  
02:20:10 9 Mr. Trump that he could not call it a university, but he  
02:20:13 10 did anyway?

02:20:14 11 MS. STAGG: Objection. Lacks foundation.

02:20:16 12 THE WITNESS: I would have no knowledge of that.

02:20:17 13 BY MS. JENSEN:

02:20:17 14 Q So nobody told you about that, right?

02:20:21 15 A I would have no knowledge of that.

02:20:27 16 Q Did anybody -- up until the time when you signed  
02:20:30 17 this declaration, did anybody advise you that after the  
02:20:37 18 New York State Education Department warned Donald Trump  
02:20:41 19 that it was illegal to call it a university, that he  
02:20:46 20 evaded their directive by setting up a false office --  
02:20:50 21 office in Delaware and then continued working out of  
02:20:54 22 New York?

02:20:54 23 MS. STAGG: Objection. Argumentative; lacks  
02:20:55 24 foundation.

25 ////

02:20:55 1 BY MS. JENSEN:

02:20:56 2 Q Did anybody tell you that?

02:20:58 3 A I had no knowledge of that until you told me  
02:21:07 4 some of that the other day.

02:21:08 5 Q Did anybody tell you that the New York State  
02:21:09 6 Education Department had explicitly told Mr. Trump in  
02:21:11 7 2005 that he needed a license to run an educational  
02:21:16 8 company that he was calling Trump University and he  
02:21:20 9 nevertheless continued running it without a license up  
02:21:24 10 until when it went dormant?

02:21:26 11 MS. STAGG: Objection. Argumentative; lacks  
02:21:27 12 foundation.

02:21:28 13 BY MS. JENSEN:

02:21:29 14 Q Did anybody tell you that?

02:21:30 15 A Not until you did the other day.

02:21:32 16 (Plaintiffs' Exhibit No. 3 marked for  
02:21:32 17 Identification.)

02:21:32 18 BY MS. JENSEN:

02:21:47 19 Q I am now going to mark as Plaintiffs' Gunn  
02:21:51 20 Exhibit 3 a document that unfortunately is not  
02:22:02 21 Bates-labeled. I'm not sure how this is not a  
02:22:05 22 Bates-labeled copy. But what I am going to do is refer  
02:22:13 23 to -- it is the same document as Plaintiffs' Exhibit 58  
02:22:17 24 for Martin.

02:22:35 25 Here's a copy. Here's a copy.

02:44:55 1 There's been good ones, bad ones, cheesy ones, sleazy  
02:44:58 2 ones, ones with heavy, heavy pitches, going to a variety  
02:45:03 3 of them.

02:45:08 4 It was ran professionally, but it didn't have --  
02:45:12 5 it's not because it had a Trump name on it. It was just  
02:45:15 6 how we felt being there and attending the event.

02:45:20 7 Q Right. But when you were -- I'm saying before  
02:45:21 8 you decided to go.

02:45:22 9 A Okay.

02:45:23 10 Q Yeah. When you got this mailer and it had the  
02:45:25 11 lion and it had, you know, "Donald Trump" on it, was --  
02:45:29 12 it was your assumption that his involvement was going to  
02:45:33 13 be a positive in terms of the quality of the -- of the  
02:45:38 14 training that you would receive, right?

02:45:42 15 A Yes. And I would say it would be that with  
02:45:44 16 probably anything that would pique my interest, as some  
02:45:47 17 of the other ones that I attend as well. I would assume,  
02:45:49 18 "Okay, we're going to learn something or we're going to  
02:45:53 19 get something out of it." But you never know until you  
02:45:56 20 go and you kind of go with your gut.

02:45:58 21 Q And here you had a gut feeling that it was going  
02:46:00 22 to be -- that it was going to be a good thing to do,  
02:46:02 23 right?

02:46:03 24 A Well, no. I wouldn't say go with the gut until  
02:46:05 25 you get there.

# EXHIBIT 4

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

ART COHEN, individually and on )  
behalf of all others similarly )  
situated, )  
 )  
Plaintiffs, )  
vs. ) NO.13-CV-2519 GPC (WVG)  
 ) Pages 1 - 302  
DONALD J. TRUMP, )  
Defendant. )  
\_\_\_\_\_ )

DEPOSITION OF MEENA MOHAN

Wednesday, June 10, 2015

Orange, California

Reporter:  
Donna E. Boulger, CSR, RPR, CCRR  
CSR No. 6162



1 Q Have you ever heard the term "opt out"?

2 A Yes. And I think I -- yeah. I've heard of it.

3 Q Have you heard of that in the context of a  
4 class action litigation?

5 A I -- actually, I started looking into it to  
6 find out because when all these things were happening, I  
7 had my personal life problems going on, so -- but I  
8 understand that I -- I requested not to be, you know --  
9 am I getting into any --

10 MS. JENSEN: It's fine to answer the question.

11 THE WITNESS: Yeah. So I -- I'm opt -- I'm  
12 opting out.

13 BY MR. MORRIS:

14 Q So today you are confirming that you are opting  
15 out as an absent class member from the Trump University  
16 class action litigation?

17 A I think I requested that before too.

18 MS. JENSEN: So I just want to clarify for the  
19 record that your intention is to opt out, but you have  
20 not yet legally done so.

21 THE WITNESS: Oh, okay. So how -- how -- how  
22 is it -- what's the procedure for that?

23 MS. JENSEN: And we can talk about that more, I  
24 just want to make sure the record's clear because  
25 there's some question being -- because the witness is

1 Q Do you have any understanding as to why Trump  
2 University changed its name from Trump University to  
3 Trump Entrepreneur Initiative?

4 A No.

5 Q You're not aware that it changed its name  
6 because the New York State Education Department stepped  
7 in and forced Trump to change the name from  
8 "University"?

9 A No.

10 MR. MORRIS: Objection to form. Lacks  
11 foundation.

12 BY MS. JENSEN:

13 Q And you're not aware that the New York Attorney  
14 General -- I'm sorry, strike that.

15 And you're not aware that the New York State  
16 Education Department told Donald Trump in 2005 that it  
17 was illegal to use the "university" title?

18 A No, I didn't.

19 MR. MORRIS: Objection to form. Lacks  
20 foundation.

21 BY MS. JENSEN:

22 Q And you're not aware that Trump defied that  
23 directive from the New York State Education Department  
24 for five years?

25 A No.

1 MR. MORRIS: Objection to form. Lacks  
2 foundation.

3 BY MS. JENSEN:

4 Q And you're not aware that's the real reason  
5 that they changed the name?

6 MR. MORRIS: Objection to form. Argumentative.  
7 Lacks foundation.

8 THE WITNESS: No.

9 BY MS. JENSEN:

10 Q And you're not aware that the New York State  
11 Education Department told Trump in 2005 that he was  
12 illegally operating without a license?

13 MR. MORRIS: Objection to form. Lacks  
14 foundation.

15 BY MS. JENSEN:

16 Q And that he still refused to get a license  
17 for --

18 A It's --

19 THE REPORTER: I didn't hear the question or  
20 the answer.

21 THE WITNESS: I mean, it's all -- essentially,  
22 no.

23 THE REPORTER: So what was the last question?

24 BY MS. JENSEN:

25 Q And you're not aware that he never got a

1 the gold elite program?

2 A No.

3 Q You didn't sign up for the silver elite  
4 program?

5 A No.

6 Q You didn't sign up for the bronze program?

7 A No.

8 Q You only signed up for six phone coaching  
9 sessions, right?

10 A Yes.

11 Q And is it your understanding that this lawsuit  
12 involves the live seminars and the live mentorships,  
13 in-person mentorships?

14 A My understanding, that this lawsuit involves  
15 the elite programs, gold, all that stuff.

16 Q So that's why you're not involved?

17 A Yeah.

18 MR. MORRIS: Objection to form. You said,  
19 "involves the live seminars." She's testified she  
20 attended a three-day live seminar.

21 MS. JENSEN: No, that's not the question,  
22 that's why --

23 BY MS. JENSEN:

24 Q You testified earlier that you believed you  
25 weren't involved, right?

# EXHIBIT 5

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF CALIFORNIA  
3 CASE NO.: 10-cv-00940 GPC (WVG)  
4 CLASS ACTION  
5 TARLA MAKAEFF, SONNY LOW, J.R.  
6 EVERETT, and JOHN BROWN, on behalf of  
7 themselves and all others similarly  
8 situated, ED OBERKROM, and BRANDON  
9 KELLER, individually,  
10  
11 Plaintiffs,  
12  
13 -vs-  
14  
15 TRUMP UNIVERSITY, LLC (a/k/a Trump  
16 Entrepreneur Initiative), a New York  
17 Limited Liability Company,  
18 DONALD J. TRUMP, and  
19 DOES 1 through 50, inclusive,  
20  
21 Defendants.  
22  
23 \_\_\_\_\_/

24 VIDEOTAPED DEPOSITION OF METTE NIELSEN

25 Friday, December 19, 2014  
9:07 a.m. - 1:25 p.m.

One Biscayne Tower  
2 South Biscayne Boulevard  
Suite 1900  
Miami, Florida 33131

Stenographically Reported By:  
Barbie Gallo, RMR-CRR  
www.kramm.com  
800-939-0080

1 attorney-client privileged conversations. And I  
2 will instruct Miss Nielsen not to answer any  
3 questions regarding communications in that time  
4 frame.

5 BY MS. MARTIN:

6 Q. Miss Nielsen, at any time have you sought to  
7 be represented by the attorneys who represent the  
8 plaintiffs in the Makaeff case?

9 A. Yes.

10 Q. And what -- and when was that?

11 A. I -- throughout time there has been a couple  
12 of calls. There were -- there were a call in 2013, a  
13 couple of calls maybe. This is -- I'm not very clear  
14 on the time frame of this.

15 MS. MUELLER: And I'm just going to  
16 interject briefly, Miss Nielsen. Our position  
17 is that after the class was certified in  
18 February of 2014 you were considered a client of  
19 class counsel from that time until the time that  
20 you opted out of the class action in November of  
21 2014.

22 THE WITNESS: But I -- unless there's a --  
23 unless there is a direct legal -- I mean, as a  
24 person that have absolutely no idea about class  
25 or not class or this or that, I was not part of

1 a class at any time.

2 MS. MUELLER: Well, legally you were  
3 considered a part of the class when the class  
4 was certified. You have the legal right to opt  
5 out of the class, which you have done. But  
6 prior to the time that you made the formal  
7 opting out of the class --

8 THE WITNESS: Maybe I need to be explained  
9 then. Because people that form a class may --  
10 must be the people that are the class. How can  
11 people that are not --

12 BY MS. MARTIN:

13 Q. Let me break it down a little bit further.  
14 At any time have you wanted to be part of a class of  
15 students who is suing Trump University?

16 A. No.

17 Q. And at any time have you wanted to be  
18 represented by counsel who was representing the  
19 students who are suing Trump University?

20 A. No.

21 MS. MARTIN: Okay. So let me go back to my  
22 original question, because now she's established  
23 that she has not at any time sought  
24 representation or authorized representation by  
25 counsel for the plaintiffs or the class.



1 for the record, you weren't attending that three-day  
2 seminar because you wanted the certificate, correct?

3 A. Oh, goodness, no.

4 MS. MUELLER: Objection; leading.

5 BY MS. MARTIN:

6 Q. At the free seminar you attended did anyone  
7 make a representation to you that Trump University was  
8 an accredited school?

9 MS. MUELLER: Objection to form.

10 THE WITNESS: No.

11 BY MS. MARTIN:

12 Q. At any time did you think it was an  
13 accredited school?

14 A. No.

15 MS. MUELLER: Objection to form.

16 THE WITNESS: Certainly because his name is  
17 in it "Donald Trump" and he has a certain space  
18 in real estate, like I said, to begin with, that  
19 got my attention, but that was about it.

20 BY MS. MARTIN:

21 Q. At the time you attended Trump University,  
22 at any time you attended Trump University, did you  
23 believe it was a licensed educational institution?

24 MS. MUELLER: Objection to form.

25 THE WITNESS: I never thought of it -- I

1 MS. MUELLER: Objection; form.

2 BY MS. MARTIN:

3 Q. Did you have an expectation that he had met  
4 with James Harris?

5 MS. MUELLER: Same objection and foundation.

6 THE WITNESS: I'm thinking he almost must  
7 have. I don't think he ever said anything about  
8 meeting him. It's not -- again, it goes in the  
9 bucket with the certificates. It wasn't really  
10 important to me. I had value. I was -- I had  
11 value. I didn't have to sit and think about, is  
12 it -- when is he going to show up? When is  
13 Donald Trump going to walk through the door?  
14 When are we going to shake hands? It wasn't  
15 important to me. I was -- I had value.

16 BY MS. MARTIN:

17 Q. So would it be fair to say that whether  
18 Mr. Trump had met with the instructors, mentors  
19 personally, that's not something that mattered to you,  
20 correct?

21 MS. MUELLER: Objection; leading.

22 THE WITNESS: No, because they had the  
23 knowledge. They had his branding. They had --  
24 I didn't think that -- I didn't think about it  
25 like that, no. One of the books were his own

1 A. Yes.

2 Q. I think you testified earlier about -- about  
3 a university that calls itself a university, you would  
4 be surprised to learn that it wasn't actually a  
5 university; is that right?

6 MS. MARTIN: Objection; misstates the  
7 testimony.

8 THE WITNESS: I'd have to hear that again.  
9 I need to hear that again.

10 BY MS. MUELLER:

11 Q. Sure. I think you testified earlier that a  
12 university or an entity that calls itself a university,  
13 you would be surprised to learn that it wasn't actually  
14 a university; is that right?

15 A. No, I didn't say that.

16 Q. An entity that calls itself a university and  
17 refers to professors and adjunct professors could give  
18 the impression that it's a university; is that right?

19 MS. MARTIN: Objection; calls for  
20 speculation; lacks foundation.

21 THE WITNESS: I don't think so.

22

23 BY MS. MUELLER:

24 Q. And are you aware that at the time you took  
25 the Trump University course in 2009 prior to that the

1 New York State Education Department had been  
2 investigating Trump University for the illegal use of  
3 the name "university" in its name?

4 A. No, I am not.

5 Q. And so at the time you signed your  
6 Declaration in November of 2012, no one had told you  
7 that New York -- that the New York State Education  
8 Department had directed Mr. Trump to stop using the  
9 word "university" in the name "Trump University;" is  
10 that right?

11 A. No, I didn't know that.

12 MS. MARTIN: Objection; lacks foundation.

13 BY MS. MUELLER:

14 Q. And at the time that you signed your  
15 Declaration in February of 2013, you also weren't  
16 aware, no one had told you that the New York State  
17 Education Department had directed Mr. Trump to stop  
18 using the word "university" in the name "Trump  
19 University;" is that right?

20 MS. MARTIN: Objection; lacks foundation.

21 THE WITNESS: No, I didn't know.

22  
23 BY MS. MUELLER:

24 Q. And no one had told you at the time you  
25 signed your Declaration in November 2012 that the New

# EXHIBIT 6

**From:** [m@bigrealestatesolutions.com](mailto:m@bigrealestatesolutions.com)  
**To:** [Mark Covais](#)  
**Cc:** [Meredith McIver](#)  
**Subject:** RE: Fwd: Mr. Trump- Follow up to Interview and now Trump University feedback  
**Date:** Sunday, September 22, 2013 7:00:54 PM  
**Attachments:** [book final copy.docx](#)

---

Meredith and Mark,

Attached is Houston Gunn's final edited copy of his book going into production Friday 9/27/13. It will be published in a few weeks.

It references Trump University in the book as Houston attended some events held by that company with me, as well as talks much about our assigned mentor, Lee Arnold.

It also includes Donald Trump's interview that he supplied via email for this book in April of 2012.

Would Mr. Trump be interested in writing any forward or comment on the book for the back cover or inside pages?

If so could you please let me know via email this week so we can watch and look for it via email if he is interested in doing so, to forward to i-universe before production begins the end of this week.

It is a short 60 minute read.

Thank you and we will await your reply.

Michelle Gunn

Houston Gunn

----- Original Message -----

Subject: Fwd: Mr. Trump- Follow up to Interview and now Trump University feedback

From: Mark Covais <[mcovais@trumpinitiative.com](mailto:mcovais@trumpinitiative.com)>

Date: Wed, August 28, 2013 8:02 am

To: "[M@bigrealestatesolutions.com](mailto:M@bigrealestatesolutions.com)" <[M@bigrealestatesolutions.com](mailto:M@bigrealestatesolutions.com)>

Hi Houston, we are very excited to hear about your upcoming book. I am contacting you to verify some of the information in the email you sent to us. Please provide me with the name your mother used to register for the event you attended and if either of you could remember the specific event date and location.

Thank you,

Mark Covais  
The Trump Entrepreneur Initiative  
40 Wall Street, 32nd Floor  
New York, NY 10005  
[www.TrumpInitiative.com](http://www.TrumpInitiative.com)  
Phone: 646.810.7339  
Fax: 212.937.3830  
[mcovais@TrumpInitiative.com](mailto:mcovais@TrumpInitiative.com)

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---

**From:** [m@bigrealestatesolutions.com](mailto:m@bigrealestatesolutions.com) [<mailto:m@bigrealestatesolutions.com>]  
**Sent:** Tuesday, August 27, 2013 5:27 PM  
**To:** Meredith McIver  
**Subject:** RE: Mr. Trump- Follow up to Interview and now Trump University feedback

Hello Meredith,

Thank you for connecting the interview with my book and Mr. Trump last May.

My book is scheduled to be out October 1st and I just saw on the news with my parents yesterday the lawsuit regarding Trump University.

I wanted to let Mr. Trump know that I would like to come to his office in New York and personally bring Mr. Trump a signed copy of my book in October just for him and Thank him for changing my life.

Because of Trump University, which my mother took me to a weekend conference when I was just 13 years old, I participated in the mentorship program with Trump University with her and my brother who was 15 at the time. It has made me whom I am today with a goal to graduate High School a Millionaire!

We had a great experience and my mother is now a professional in real estate full time and I became a private money lender and a real estate investor at age 13! All because of your program.

My book shares this story as well as more about my entrepreneurship and experiences in my life.

I and my family are happy to give any statement or testimonial sharing our positive story about this and with my book coming out this fall referencing this I am proud to say that Trump University influenced my life and made me where I am today! {at age 16}

Thank you  
Houston Gunn  
253 906 0047  
[M@bigrealestatesolutions.com](mailto:M@bigrealestatesolutions.com)  
Twitter - HoustonGunn  
Facebook- HoustonGunn

----- Original Message -----

Subject: Mr. Trump  
From: Meredith McIver <[mmciver@trumporg.com](mailto:mmciver@trumporg.com)>  
Date: Mon, May 07, 2012 7:27 am  
To: "[m@bigrealestatesolutions.com](mailto:m@bigrealestatesolutions.com)"  
<[m@bigrealestatesolutions.com](mailto:m@bigrealestatesolutions.com)>

Dear Houston,

Attached are Mr. Trump's answers to your questions.

All the best,  
Meredith

**T R U M P**  
THE TRUMP ORGANIZATION

**Meredith McIver**  
Staff Writer | Media  
725 Fifth Avenue | New York, NY |  
10022  
p. 212.715.7221 | f. 212.755.3230  
[mmciver@trumporg.com](mailto:mmciver@trumporg.com) | [trump.com](http://trump.com)

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# EXHIBIT 7

## Mark Covais

---

**From:** Mark Covais  
**Sent:** Monday, April 01, 2013 7:48 PM  
**To:** Marla Rains Colic  
**Subject:** RE: Trump Initiative Followup

Thank you for the recordings and following up. Sending you the virtual retreats were my pleasure! Enjoy the series and please let me know if you guys need anything ever!

Thank you,

Mark Covais  
The Trump Entrepreneur Initiative  
40 Wall Street, 32nd Floor  
New York, NY 10005  
[www.TrumpInitiative.com](http://www.TrumpInitiative.com)  
Phone: 646.810.7339  
Fax: 212.937.3830  
[mcovais@TrumpInitiative.com](mailto:mcovais@TrumpInitiative.com)

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---

**From:** Marla Rains Colic [<mailto:mrainscolic@gmail.com>]  
**Sent:** Sunday, March 31, 2013 10:58 AM  
**To:** Mark Covais  
**Subject:** RE: Trump Initiative Followup

Mark,

Bless you. What an awesome surprise!! I'll certainly soak this stuff up and I'm seriously very grateful for the gift.

Regarding the voicemails I received, I've compiled the voice recordings and attached them to this email. From what I can gather, the legal team in CA left 4 messages for me. Unfortunately, I was wrong when I told you they said they were from Trump. All the messages state that they are calling regarding Trump U. In any regard, here you go!!

Marla

Marla Rains-Colic

314.724.5549

**From:** Mark Covais [mailto:[mcovais@trumpinitiative.com](mailto:mcovais@trumpinitiative.com)]  
**Sent:** Wednesday, March 27, 2013 5:12 PM  
**To:** [MRAINSCOLIC@GMAIL.COM](mailto:MRAINSCOLIC@GMAIL.COM)  
**Subject:** Trump Initiative Followup

Hi Marla, As always it was a pleasure talking to you. Please let me know either way how you make out with the voicemail search.

Please follow the link below to down load and enjoy Kevin Derrick's Commercial and Multi Family Advanced Virtual Retreat. Let me know if you have any question opening in up or logging on.

**Commercial and Multi Family Advanced Retreat**

Thank you,

Mark Covais  
The Trump Entrepreneur Initiative  
40 Wall Street, 32nd Floor  
New York, NY 10005  
[www.TrumpInitiative.com](http://www.TrumpInitiative.com)  
Phone: 646.810.7339  
Fax: 212.937.3830  
[mcovais@TrumpInitiative.com](mailto:mcovais@TrumpInitiative.com)

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# EXHIBIT 8

**Volume II**  
**Donald Trump**

**Confidential**

**Art Cohen, et al. vs. Donald J. Trump**

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF CALIFORNIA  
3  
4 ART COHEN, Individually)  
and on Behalf of All )  
5 Others Similarly ) No. 3:13-cv-02519-GPC-WVG  
Situating, )  
6 ) CLASS ACTION  
Plaintiff, )  
7 )  
VS. )  
8 )  
DONALD J. TRUMP, )  
9 )  
Defendant. )

10

11

12

13

14

15

16

17

18

19

20

21

22 Reported By:

23 Gale Salerno

24 RMR, CSR No. 12375

25 Job No.: 10021313

CONFIDENTIAL TRANSCRIPT

VIDEOTAPED DEPOSITION OF DONALD J. TRUMP

VOLUME II (Pages 371 to 485)

January 21, 2016

Las Vegas, Nevada

**Volume II**  
**Donald Trump**

**Confidential**

**Art Cohen, et al. vs. Donald J. Trump**

1 identification.)

2 (Playing Video From Thumbdrive Marked Exhibit 509.)

3 BY MR. FORGE:

4 Q. Mr. Trump, you shot that video to promote  
5 Trump University, right?

6 A. Yes. A long time ago.

7 Q. So you made that video to influence people  
8 to enroll in Trump University?

9 A. Yes.

10 Q. Now, at one point you mentioned that there  
11 would be professors and adjunct professors. Do you  
12 have any idea what, if any, criteria determined who  
13 would be a professor versus an adjunct professor?

14 A. Well, I see resumes, but mostly that was up  
15 to Michael Sexton, who was the president who ran  
16 Trump University.

17 Q. So that's not a decision process you were  
18 involved in, who would be a professor versus --

19 A. I would see resumes, but I told him, you  
20 know, I want very good people, yes.

21 Q. But in terms of determining this person  
22 will be a professor versus an adjunct professor --

23 A. No, that was not me.

24 Q. Do you know if any of the adjunct  
25 professors at Trump University were ever promoted to

**Volume II**  
**Donald Trump**

**Confidential**

**Art Cohen, et al. vs. Donald J. Trump**

1 A. Right.

2 Q. Are there -- do any of those names, have  
3 you had a recognition of any of those names? Any of  
4 those names come to mind now as we sit here?

5 A. No.

6 Q. So same memory or lack thereof, whatever  
7 your answers were still stand?

8 A. It's a long time.

9 THE WITNESS: Just off the record for a  
10 second.

11 (A discussion was held off the record.)

12 MR. FORGE: If we could please mark this  
13 next exhibit as 510.

14 (Exhibits 510, 511 and 512 were  
15 marked for identification.)

16 BY MR. FORGE:

17 Q. Mr. Trump, starting with Exhibit 510, does  
18 that appear to be a true copy of a special invitation  
19 from Donald J. Trump, and an attached letter that  
20 begins Dear Friend?

21 A. It does seem to be. I don't remember this,  
22 but it does seem to be, yes.

23 Q. And that appears to be your signature at  
24 the bottom of that invitation on the second page?

25 A. Yes.

Volume II  
Donald Trump

Confidential

Art Cohen, et al. vs. Donald J. Trump

1 Q. And this invitation is all part of the  
2 promotion of Trump University; is that fair to say?

3 A. It looks like it.

4 Q. So again, this is something that was  
5 intended to influence people to enroll in Trump  
6 University?

7 A. It would look that way, yes.

8 Q. Were you personally aware of any sort of  
9 proven real estate system that students would be  
10 learning at Trump University?

11 MR. PETROCELLI: The question is vague.

12 THE WITNESS: Well, what I did is we gave a  
13 lot of big packages out. Again, it's a long time  
14 ago, but -- and including books that I've written,  
15 et cetera, et cetera. You have the information.

16 But there is -- you know, there are methods  
17 that have been very successful for me, and that's  
18 what I would talk about. And, you know, starting  
19 with location. Starting with, you know, various  
20 forms of debt. We talked about the kind of debt you  
21 can put on properties.

22 And we talked about a lot of different  
23 things. You can look at the books. But I've  
24 always -- and very strongly told them to stress  
25 location.



# EXHIBIT 9

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

ART COHEN, INDIVIDUALLY AND ON  
BEHALF OF ALL OTHERS SIMILARLY  
SITUATED,

PLAINTIFFS,

vs.

DONALD J. TRUMP,

DEFENDANTS.

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Case No. 13CV2519  
DMS RBB

VIDEOTAPED DEPOSITION OF MICHAEL A. KAMINS, Ph.D

FRIDAY, APRIL 1, 2016

FILE NO. 11009  
REPORTED BY LEESA DURRANT, C.S.R. NO. 11899, RPR

MICHAEL A. KAMINS

April 01, 2016

1 promotional campaign focused almost exclusively on Trump  
2 and targeted his biggest fans?

3 BY MR. KIRMAN:

4 Q Let's just focus exclusively on Trump and then  
5 we'll go to the biggest fans later.

6 A Well, there's a lot of statements in his  
7 advertising which describe who he is as a man. I think  
8 even in the ads I used in my study, there's an example  
9 of that. I could go to that and read it. You know, I'm  
10 paraphrasing, he's invested in buildings, made a lot of  
11 money. He's been around -- you know, so they're linked  
12 to his personal characteristic. I wish -- let me find  
13 my ad. I think it's the very last page.

14 Yeah. Here we go. "He's the most celebrated  
15 entrepreneur on earth. He's earned more in a day than  
16 most people do in a lifetime. He's living a life men  
17 and women only dream about and now he's ready to share  
18 with Americans like you the Trump process for investing  
19 in today's once-in-a-lifetime real estate market."

20 So that's a link to Mr. Trump in describing who  
21 he is. Another element, not particularly of this ad but  
22 in other ads, "the next best thing to being his  
23 apprentice." The offer to be this man's apprentice, to  
24 work with him and be his stead. This is a tie into who  
25 he is as an individual.

MICHAEL A. KAMINS

April 01, 2016

1           **A     Yes.**

2                   MR. PFEFFERBAUM:  Objection.  Vague and  
3  ambiguous.

4  BY MR. KIRMAN:

5           Q     Real estate is a theme; correct?

6                   MR. PFEFFERBAUM:  Objection to form.

7                   **THE WITNESS:  Sure.  For example "buy real**  
8 **estate from banks."**

9  BY MR. KIRMAN:

10          Q     Foreclosure investing; correct?

11                  MR. PFEFFERBAUM:  Objection.  What's the  
12 question?

13  BY MR. KIRMAN:

14          Q     Foreclosure investing is a theme of this  
15 advertisement; correct?

16          **A     To the extent it says, "Find free foreclosures**  
17 **in your area."  And I think it says that later in the**  
18 **text if I am not mistaken.**

19          Q     Turning someone into a successful real estate  
20 investor; correct?

21          **A     Yeah, but that's -- again, some of these are**  
22 **intertwined with Mr. Trump.  So "I can turn anyone into**  
23 **a successful real estate investor, including you,"**  
24 **"learn from Donald Trump's handpicked expert," "how you**  
25 **can profit from the largest real estate liquidation in**

MICHAEL A. KAMINS

April 01, 2016

1 history," as I said before, "learn my strategies and  
2 techniques," so some of this is intertwined.

3 Q There's intertwined with Mr. Trump, but there's  
4 also other aspects to the advertising; correct?

5 A Sure. I mean, one would be a quote from Robert  
6 Mulack, "The training and coaching I received from Trump  
7 University is priceless."

8 Q You also --

9 A I'm sorry. I didn't finish the quote. "I  
10 closed on my first investment property and earned  
11 \$50,000."

12 Q Somebody might want to replicate that  
13 individual's success if they read this advertisement;  
14 right?

15 MR. PFEFFERBAUM: Object to form. Lacks  
16 foundation.

17 THE WITNESS: Right. But they most probably  
18 would have to attend Trump University to do it. I mean,  
19 this is a function --

20 BY MR. KIRMAN:

21 Q Is it your testimony that Trump University is  
22 the only real estate investing seminar in the market?

23 A Well, but let's read the quote again. "The  
24 training and coaching I received from Trump U is  
25 priceless." So what Bob Mulack is saying is, "I went to

# EXHIBIT 10

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

TARLA MAKAEFF, SONNY LOW, J.R. EVERETT	)	
AND JOHN BROWN, on behalf of themselves	)	
and all others similarly situated, ED	)	
OBERKROM, and BRANDON KELLER,	)	Case No.
individually,	)	10-cv-00940 GPC
	)	(WVG)
Plaintiffs,	)	
	)	
-vs-	)	
	)	
TRUMP UNIVERSITY, LLC (aka TRUMP	)	
Entrepreneur Initiative), a New York	)	
Limited Liability Company, DONALD J.	)	
TRUMP, and DOES 1 through 50, inclusive,	)	
	)	
Defendants.	)	
	)	

VIDEOTAPED DEPOSITION OF PAUL CANUP

NOVEMBER 10, 2014

Reported by: Tricia Rosate, RDR, CRR, CSR No. 10891

09:30:50 1 Q Besides those items that you just listed, the  
09:30:54 2 knowledge about acquiring real estate, buying and  
09:30:56 3 selling real estate, generating income, and wanting to  
09:31:01 4 learn from the best and the quality of the  
09:31:05 5 Trump University brand, were there any other reasons  
09:31:09 6 that you attended the preview seminar?

09:31:13 7 A Not that I can think of.

09:31:22 8 Q Did Donald Trump ever make any  
09:31:23 9 representations to you, either in writing or on the  
09:31:28 10 CDs, about what would be taught at the  
09:31:32 11 Trump University preview seminar?

09:31:36 12 A I don't remember any details. Certainly he  
09:31:38 13 didn't give any details about that. But he always  
09:31:44 14 stressed education and learning from the best.

09:32:05 15 Q And this is a slightly different question,  
09:32:07 16 but what information from Trump University did you  
09:32:11 17 rely on when you made the decision to attend the  
09:32:14 18 preview seminar or what representations had  
09:32:23 19 Trump University made you to, if any, that you relied  
09:32:25 20 on when you decided to attend the preview seminar?

09:32:27 21 MS. ECK: Objection. It's vague as to  
09:32:29 22 whether in writing or advertisements or otherwise.  
09:32:39 23 BY MR. MORRIS:

09:32:39 24 Q You can answer. If there were any  
09:32:41 25 representations made to you either in writing or



10:00:12 1 BY MR. MORRIS:

10:00:12 2 Q Sure. Did anyone tell you, for example, that  
10:00:15 3 Donald Trump would be writing the curriculum for the  
10:00:23 4 wealth preservation seminar that was part of the  
10:00:25 5 Gold Elite package?

10:00:27 6 MS. ECK: Same objections.

10:00:29 7 THE WITNESS: No. As a matter of fact, they  
10:00:31 8 emphasized that -- that Donald Trump's involvement was  
10:00:34 9 selecting people that were experienced in their -- in  
10:00:40 10 specific specialties for real estate investing and  
10:00:46 11 that it was their experiences that were being  
10:00:53 12 presented.

10:01:11 13 BY MR. MORRIS:

10:01:11 14 Q When you say, "their experiences being  
10:01:12 15 presented," what -- what do you mean by that? Like it  
10:01:13 16 would be the instructor for each specific seminar who  
10:01:16 17 would then be teaching based on their expertise at  
10:01:20 18 that seminar?

10:01:21 19 A Yes. I -- that he had selected experts in  
10:01:28 20 the field that he believed would be able to present  
10:01:35 21 that specific specialty in real estate; that it was  
10:01:40 22 their experience and that it was -- it was their  
10:01:54 23 experiences, their expertise that was being presented.

10:02:02 24 Q During the three-day program, was there any  
10:02:07 25 additional explanation of the selection or vetting

10:02:11 1 process for the instructors or mentors that we talked  
10:02:15 2 about a few minutes ago? Did Mr. Martin make any  
10:02:17 3 further representations about that?

10:02:19 4 A Not that I recall other than Donald Trump's  
10:02:23 5 vetting process was very thorough. No details on  
10:02:30 6 that.

10:02:44 7 Q Do you feel based on listening to Gerald  
10:02:48 8 Martin present at the preview in the three-day seminar  
10:02:52 9 that he was an expert in creative financing  
10:02:53 10 techniques?

10:02:55 11 A Absolutely.

10:02:56 12 MS. ECK: Objection. Calls for speculation.

10:02:59 13 THE WITNESS: Absolutely.

10:03:02 14 BY MR. MORRIS:

10:03:02 15 Q Do you feel that Gerald Martin was an expert  
10:03:05 16 in any other real estate techniques, and if so, what  
10:03:09 17 were those?

10:03:10 18 MS. ECK: Objection. Calls for speculation.

10:03:17 19 THE WITNESS: I think Gerald Martin had a  
10:03:19 20 fairly broad real estate background. His specialty  
10:03:28 21 was creative financing, and he presented some ways of  
10:03:31 22 doing that. However, he went into details of some  
10:03:41 23 specific real estate purchases and how that was done  
10:03:43 24 and how he did it. He described how he walked through  
10:03:46 25 properties, how he walked around properties, how he

16:27:08 1 BY MS. ECK:

16:27:08 2 Q All right. Mr. Canup, the first document is  
16:27:10 3 a letter from the State Education Department in  
16:27:14 4 New York to Donald Trump in May 2005. It states on  
16:27:25 5 the second page, third paragraph from the bottom,  
16:27:27 6 "After reviewing the information included on your  
16:27:30 7 website about the purpose and operation of  
16:27:33 8 Trump University, and based on the relevant laws and  
16:27:35 9 regulations cited above, I must ask you to discontinue  
16:27:40 10 the use of the name Trump University. Written  
16:27:43 11 confirmation that you have discontinued the use of  
16:27:45 12 this name is requested."

16:27:48 13 At the time you took that course in New York,  
16:27:51 14 were you aware that the Department of Education had  
16:27:54 15 told Donald Trump that it was unlawful to use the name  
16:28:01 16 Trump University in New York?

16:28:02 17 MR. MORRIS: Objection. Assumes facts.  
16:28:03 18 Lacks foundation.

16:28:05 19 THE WITNESS: No.

16:28:06 20 BY MS. ECK:

16:28:06 21 Q Okay. In the second letter dated January  
16:28:09 22 4th, 2010 from the State Education Department in  
16:28:12 23 New York to Donald Trump, it states on the second  
16:28:23 24 page, third paragraph from the bottom, "Based on the  
16:28:27 25 relevant laws and regulations cited above, I must ask

16:28:30 1 you to discontinue the use of the name  
16:28:33 2 Trump University. If your organization wishes to  
16:28:35 3 pursue degree authority in New York State, I refer you  
16:28:38 4 to the website of this office."

16:28:42 5 The next paragraph states, "Without following  
16:28:44 6 the appropriate protocol, Trump University has no  
16:28:47 7 legal status as a university in New York State.  
16:28:50 8 Consequently, I ask for your written assurance that  
16:28:53 9 the organization will cease and desist immediately  
16:28:56 10 from operating any aspect of Trump University in  
16:29:01 11 connection with a New York state address."

16:29:03 12 Were you aware that the New York Department  
16:29:04 13 of Education had informed Donald Trump and  
16:29:10 14 Trump University that its use of the name  
16:29:12 15 Trump University was unlawful in New York?

16:29:14 16 MR. MORRIS: Objection. Lacks foundation.  
16:29:16 17 Assumes facts.

16:29:19 18 THE WITNESS: Is the word "unlawful" in here?  
16:29:21 19 I guess it's based on relevant laws.

16:29:25 20 BY MS. ECK:

16:29:25 21 Q Correct.

16:29:28 22 MR. MORRIS: I'll object. That's  
16:29:29 23 argumentative.

16:29:32 24 THE WITNESS: I was not aware.

16:29:32 25 ///

# EXHIBIT 11

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

**CONTAINS  
CONFIDENTIAL PARTIAL**

TARLA MAKAEFF et al., individually	)	
and	)	
on Behalf of All Others Similarly	)	
Situated,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	Case No.
	)	10-CV-0940-GPC
TRUMP UNIVERSITY LLC et al.,	)	(WVG)
	)	
Defendants.	)	
	)	

---

DEPOSITION OF SONNY LOW  
San Diego, California  
Wednesday, April 13, 2016

Reported by Stephanie Hardesty, CSR No. 13088  
First Legal Deposition Services Job No. 11521

Pages 1-310  
Confidential Pages 10-12, 20, 94

SONNY LOW

April 13, 2016

1 today?

2 MR. FORGE: Same objection.

3 BY MR. KIRMAN:

4 Q Just a list.

5 A I can't give you a complete answer right now.  
6 What I can tell you is that Donald J. Trump is a multi-  
7 billionaire in real estate. When the ads said, "Come  
8 for free, come to listen to me, and one of my  
9 handpicked instructors," I'm pretty sure that was in  
10 the ad there too, "will make it worth, you know, your  
11 while to come and come to one of my workshops." That  
12 was it.

13 Donald J. Trump. He's just like Walt Disney.  
14 If Walt Disney says, you know, I'm going to open  
15 Disneyland, Walt Disney means to me in entertainment as  
16 Donald J. Trump means to me in terms of real estate.  
17 That's all I can say. And that is my main complaint  
18 from number one, step one.

19 BY MR. KIRMAN:

20 Q Sir, you're not -- with all due -- I'm asking  
21 just a very specific question. You understand that  
22 you're a plaintiff, you're actually the named plaintiff  
23 in this lawsuit against Donald J. Trump and  
24 Trump University, correct?

25 And the lawsuit is filed because you, as a

# EXHIBIT 12



**Stephen Goff**

**Art Cohen, et al. vs. Donald J. Trump**

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
  
ART COHEN, Individually )  
and on Behalf of All )  
Others Similarly ) No. 3:13-cv-02519-GPC-WVG  
Situating, )  
Plaintiff, ) CLASS ACTION  
VS. )  
DONALD J. TRUMP, )  
Defendant. )

ORAL AND VIDEOTAPED DEPOSITION OF  
STEPHEN GOFF  
Thursday, March 19, 2015  
1200 Smith, 16th Floor  
Houston, Texas

Reported By:  
RENE WHITE MOAREFI  
CSR, CRR, RPR  
Job No.: 10015241

**Stephen Goff**

**Art Cohen, et al. vs. Donald J. Trump**

1           A. I don't know if that's the same as the other one,  
2 but, yeah, that's me.

3           Q. Sure. No, I -- I'll represent that. So  
4 that's -- you recognize your voice?

5           A. Yes.

6           Q. And that's you speaking?

7                       Okay. And, again, you were just following  
8 what you were told to say in this recording, right? That  
9 Donald Trump had personally picked you?

10          A. That's correct.

11          Q. And just to follow up, you've -- you've never met  
12 Trump, right?

13          A. No.

14          Q. So it's not true that he picked you?

15                       MR. MORRIS: Objection, lacks foundation,  
16 calls for speculation.

17          Q. (BY MS. JENSEN) Correct? He did not --

18          A. Yeah, it's true he didn't handpick me, no.

19          Q. Okay.

20                       MS. JENSEN: We're going to now play a audio  
21 recording that will be provided to the court reporter via  
22 thumb drive, the Bates is TU 123674, and it will be  
23 Exhibit No. 24. We're going to start at 20 minutes and  
24 20 -- 20 more -- 20 minutes and 24 seconds.

25                       (Audio playing.)

http://www.yeslaw.net/help

# EXHIBIT 13



## 2010 PLAYBOOK

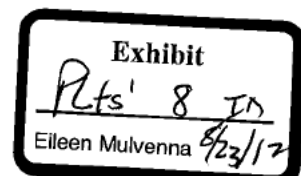
ONE COMPANY. ONE CULTURE. ONE GOAL.  
Achieving Sustained Profitability in 2010.

### T A B L E O F C O N T E N T S

I.....	COMPANY, CULTURE & GOAL.....	2
II.....	PROGRAMS & SERVICES.....	4
III.....	PREVIEW PLAYBOOK.....	12
IV.....	FULFILLMENT PLAYBOOK.....	25
V.....	RETREATS & SPECIAL EVENTS.....	42
VI.....	POLICY & PROCEDURE.....	48
VII.....	SALES PLAYBOOK.....	96
VIII.....	PC PLAYBOOK.....	139

Private & Confidential • Page 1

CONFIDENTIAL





The words "I noticed" have a powerful subconscious effect on people because they send a subliminal message to them that they stood out in the crowd, that they are attractive or charismatic or that they impressed you. It sends a message to the person that you have interest in them. People love recognition and attention.

- Examples:
  - You: "I noticed when the speaker talked about results..... you really seemed to identify/took a lot of notes/had a question he could not get to/thought that was powerful."
  - You: "I noticed that when the speaker asked if the training was worth the investment (money), you had your hand up, so I wanted to make sure that I do what I can to help you take advantage of it/make sure you don't miss out/get you earning money with us."

#### Be Deliberate:

- Be deliberate and conscious when communicating to potential students. Remember that we have time to think and plan and develop questions and commands that lead people into a flow that they must deal with and respond to. Without a game plan you are required to respond to them and do much more thinking on your feet. Remember that we need to stay on "offense."

#### Sales Wisdoms:

- You won't sell anything until you get rapport with the other person. Rapport is a state of emotional bonding, where they are aligned with you and vice versa. When you move, if you are in rapport, they will move too.
- Customers don't have needs--they have problems.
- A lot of sales training and books tell you about the importance of selling to customer needs. Although this is basically true, customers don't sit down and think, "I've got a need." Instead, they experience problems and seek solutions to them.
- The customer has to perceive the problem, of course. You may perceive the problem, but if the customer doesn't, then there's no way they can bite the solution line.
- So the sales job is about finding, eliciting and solving these problems. Where understanding of needs does come in useful here is that problems appear when needs are not met. But when you talk to customers, it usually works best if the subject is problems.
- Urgency is proportional to pain. Problems are like health. The more a problem hurts now, the more the need for a solution now. And the more it hurts, the more they'll be prepared to pay for a speedy solution. It's got to hurt enough!
- The operation of resolving the pain is itself a painful process, so if the pain is below this threshold, the patient will prefer to continue to suffer than accept any treatment.
- Research has shown that most people will seek a solution when they have three problems. About a quarter seek solutions earlier, and another quarter seek solutions later.
- You don't sell products, benefits or solutions--you sell feelings.
- Sales used to be about selling products. But a sole focus on products leads to objections, so sales moved to selling benefits. Better again, the focus turned to understanding the underlying problem to be solved, but this is still not the whole story.
- When we make any decision, including the 'buy' decision, we do so by an emotional process. It may not seem that way, and there may be much logical processing, but the point of decision is always emotional, and usually subconscious.



#### PREVIEW SPEAKER INTRODUCTION

ONCE THE ATTENDEES HAVE TRANSITIONED INTO THE PREVIEW AREA, A TRUMP U COORDINATOR (SELECTED PRIOR TO THE EVENT AND GIVEN ADEQUATE TIME TO PREPARE) WILL INTRODUCE THE SPEAKER. THE COORDINATOR WILL GAIN THE AUDIENCE'S ATTENTION, EXPLAIN THE PREVIEW RULES, ILLUSTRATE THE SPEAKER'S ACHIEVEMENTS AND QUALIFICATIONS, AND GET THEM ENERGIZED FOR THE PRESENTATION! BY EXUDING CONFIDENCE, STRENGTH, AND EXCITEMENT DURING THE INTRO, YOU WILL MOTIVATE THE AUDIENCE TO LISTEN AND TO LEARN – WHICH WILL HELP THEM ENROLL LATER ON!

#### Speaker Introduction Script:

Good evening! On behalf of Donald Trump and Trump University, I would like to welcome and congratulate all of you on making a commitment to come out and train with us today!

Before we get started, there are a few ground rules to go over to make sure that things run smoothly. First of all, please turn off all cell phones and devices. If you haven't already, take a moment and make sure your phone is in the off position. Limiting distractions will allow you and your neighbors to dedicate the next 90 minutes to learn this business and get the most out of our presentation.

Now your Trump trainer tonight/today/this morning, \_\_\_\_\_ (speaker's name), has a lot of material to go through in a relatively short amount of time. You may have a few questions or comments as s/he progresses through tonight's workshop. We'd like you to write these down as we move along so that you don't forget them, because we will be holding all questions during the workshop and answering them for you at the end of the event. If you look behind you, we've set up tables in the back of the room, and we will invite you to come back and see the team at the end of the workshop so we can address your questions and comments on a one-on-one basis. Sound good? Sound fair?! Excellent!!

It is now my pleasure to introduce one of Donald Trump's top instructors. He has been hand selected because of his expertise and knowledge in the real-estate business. Mr/s. \_\_\_\_\_ (First Name, Last Name) has been investing for X years and has mastered his craft. He is one of my personal mentors and an amazing source of knowledge, so if you could, PLEASE give Mr/s. \_\_\_\_\_ (Last Name) a warm round of applause!

#### Notes:

You may tailor paragraph four to reflect specific achievements of that particular speaker, to be discussed and approved by speaker in advance.

# EXHIBIT 14

Document ID: 0.7.438.240225

From: Michael Sexton </o=trump org/ou=first administrative group/cn=recipients/cn=msexton>  
To: James Harris  
<moneymotivator@gmail.com>; Stephen Goff </o=trump org/ou=first administrative group/cn=recipients/cn=sgoff>; Scott Leitzell  
</o=trump org/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=sleitzell>  
Cc: Mark Anthony  
<markanthonybates@msn.com>; David Early <david@entrende.com>  
Bcc:  
Subject: New PPT script  
Date: Tue Apr 14 2009 11:41:01 EDT  
Attachments: Trump Creative C script-final (2).doc

---

Gentlemen, attached is the final script for the new PPT presentation. Please review both in detail. I will speak with you individually about how best to transition to this new format. I've circulated this presentation and script to a small group of industry veterans and the feedback has been very positive. As always, I look forward to your thoughts and feedback as well. Thanks,

Michael

Michael W. Sexton

Trump University

40 Wall Street, 32nd Fl.

New York, NY 10005

Phone: 646.810.7342

Fax: 212.248.0782

[www.TrumpUniversity.com](http://www.TrumpUniversity.com)



Document ID: 0.7.438.240225-000001

Owner: Michael Sexton </o=trump org/ou=first administrative  
group/cn=recipients/cn=msexton>

Filename: Trump Creative C script-final (2).doc

Last Modified: Tue Apr 14 10:41:01 CDT 2009

---

Trump Creative C script-final (2).doc for Printed Item: 1 ( Attachment 1 of 1)

## **Trump University Preview Script – Version 3.0**

---

### **Slide 01: Trump University Title Slide**

### **Slide 02: The Trump University Apprenticeship Program**

Ladies and gentlemen, I'd like to welcome you to our presentation tonight on behalf of Mr. Donald Trump and Trump University. My name is [Lecturer name]. I'm a member of the faculty at Trump University. Let's talk a little about Donald Trump.

### **Slide 03: Trump Montage**

Who here thinks they know Donald Trump? Hands up. Very good. Let's play this little game to get you in the mood of things.

I've got three lottery tickets here. What I'm going to do is ask three questions about Donald Trump. Whoever gets a question right gets a scratch-off lottery ticket and hopefully you'll win. If I have a number of you answering the question correctly, then I will give the ticket to only one of the winners of my choosing.

Do not call out your answers, raise your hand only!

First question: Where was Donald Trump born and raised? Be specific. The answer is Queens, New York. He was educated in upstate and in Pennsylvania, but he was born and raised in Queens. You get a ticket. Congratulations! Being first and taking action has its rewards.

Second question: What year was Donald Trump born? Give me the year? That's right, 1946. He was born on June 14th of that year. Sir, you get a ticket. So what does that make Mr. Trump... roughly 62 years old? Do you think he's going to retire in a couple of years? I doubt it. But this I do know, he has a lifetime of experience in making money. By the way, this gentleman was quick to answer.

Here is my third question: How did Donald Trump make his money? The answer is real estate! Very good. You folks know a lot about Donald Trump. Here's your ticket, and good luck to you all.

But let me tell you all this right now, the chances of winning the lottery is about fourteen million to one, but winning with Donald Trump is done every day.

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Mr. Trump has been an American business magnate, a socialite, a television personality, and an author. He's really an incredible man. Mr. Trump can be brash and bold. But one thing that you do have to say: the man knows the real estate business.

(Future Pacing): **And what he knows about real estate you will learn when you become part of Trump University.**

Trump University is the manifestation of what Mr. Trump wants to do for people interested in building wealth and creating opportunity.

The idea actually came to him during the second season of "The Apprentice" TV show. When he wrapped up the second season of "The Apprentice" show he thought to himself: "You know what? I'm only able to help one person at a time in this fashion. Why don't I take the concept of an apprenticeship and make it available to a larger group of people"?

That led to the founding of Trump University in 2005.

**Slide 04: Trump University**

Trump University is located in the Trump Building at 40 Wall Street in New York City. That's down in the financial district. We occupy the 32nd floor of this building. We rent the other 69 floors to tenants. The building was built in 1930 and it was called the "Bank of Manhattan Trust" building. It was once in competition to be the world's tallest building.

Mr. Trump bought this building from a foreclosure proceeding. The building has a total of 1.3 million square feet of rentable, useable space. He bought it, believe it or not, for \$1.4 million about 15 years ago. What does that come out to approximately per square foot? That's right about a dollar a square foot, a dollar and seven cents to be exact. That is unheard of.

By the way, 15 years after Mr. Trump bought the building, would you like to know what that building is worth? It's worth \$400 million. I don't have a PhD. in math but I know that's a heck of a lot more than a dollar a square foot.

Real estate can really make you money. Mr. Trump can show you how to do it.

Nobody does deals like that. Nobody but Mr. Trump.

When Mr. Trump created Trump University, he said that he wanted to help adults achieve a superior education in a fraction of the time and cost that it

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would ordinarily take. Essentially, he wanted to cut the B.S. out of higher education. That's typical Donald Trump.

(Transition): **Mr. Trump went to the Wharton School at the University of Pennsylvania, and he knew that most people couldn't afford the time or tuition to do that. So he decided to create an organization that would provide a world-class education, coupled with a year long apprenticeship resulting in personal development and wealth building. He saw the opportunity to give a Wharton School education in 3 days followed by an Apprenticeship.**

(Transition): **By the way, do you know what the annual tuition at Wharton is? It is \$66,171 per year. That's over a quarter million dollars for a four year degree. How many of you think that is a lot of money to pay to learn theory and academic subjects? All of you!**

(Future Pacing): **Tuition at Trump University is less than \$1,500 or less than 1 percent of tuition at Wharton. The \$1,500 tuition gives you access to our intensive, comprehensive and complete 3 day training program plus 1 full year of ongoing support. In fact, two people can attend for the price of one, so it is even more economical than that. I will tell you more about that later when we look at the enrollment process.**

Slide 05: Trump Philosophy

Look at this statement from Mr. Trump. (Read statement.)

(Transition): **People have lost faith in themselves, in their government, in businesses, and in our leaders. I have been doing this a long time, and I see the faces of young people. They used to come here full of energy and vigor and with an "I can do it" attitude. They may not have found the opportunity to make it yet, but they had the desire. I saw the middle aged folks come in, and their faces say "I've got one more shot. I haven't done it yet, and if I don't do it this time, I may never get a chance."**

But you know folks, in the last 4 to 6 months, I've seen those same faces, but they are a bit different. The young people seem to have lost the energy and vigor I used to see. They are beat down. No wonder; just look at the news every day. It just seems to get worse and worse. The middle aged folks show up in despair. They have seen their retirement plans go up in smoke. Half of what they worked for is gone.

(Future Pacing): **They need to take one more shot, but they are unsure of themselves and they don't know what to do.**

They're all asking "what happened?"

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Folks, this is why Mr. Trump created Trump University. He understands both success and failure; he has done them both. But he also understands redemption. He knows that you can fight your way back.

**(Future Pacing): Trump University will give you support and training so that you can fight back. Mr. Trump knows that you need a system, specialized knowledge and support to succeed.**

**(Future Pacing): The real estate market is constantly changing. The best areas of investment 6 months ago are losers today and the same will be true 6 months from now. You need to stay up-to-date as the market shifts so that you can take advantage of emerging trends before the competition. That's why as part of your yearlong Apprenticeship you will have weekly web-classes to make sure you know what's happening in the market week to week. You'll also be exposed to related areas of investment such as probate and tax liens.**

**(Transition): Let's talk about taking action. Do you know why most people sit on the sidelines? Psychologists tell us most people come under the influence of the Normalcy Bias. That simply means that people wait for situations to change and for everything to go back to normal. They don't move, they don't take action, and by the time they realize "normal is gone" they have lost the opportunity. Indecision is a decision.**

Want proof of this? Who has lost money in the stock market? How many of you are going to wait for it to come back before you do something? Nearly all of you. You know what? The stock market is done; stick a fork in it. It's has lost half its value in 3 years. It is now at pre-2000 levels.

**(Future Pacing): Want to prosper? Want to get ahead? Do you want to get out from underneath? Then you need a plan. You have to have a plan.**

Develop that plan and work that plan. Make sure you take your clues and guidance from the best in the field. Be willing to ask for and accept help. You know, the poet once wrote "No man is an island". You need help, from an expert, and you need a plan based on that expert advice.

**(Future Pacing): As you gain knowledge, you will gain confidence. Confident people thrive in difficult times.**

Mr. Trump is confident that you can prosper. Follow his instruction and you can be successful.

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**(Future Pacing): Wouldn't you agree that successful people take action? Yes? Then for you to succeed you must be willing to take action. You've also got to learn to see things differently.**

**Slide 06: First Ship Slide**

Let me show you something. Take a look at the image behind me. Study it for just a moment. If you know what it is, say nothing and let the others try to figure it out.

**(Transition): This is an example of "perceptual ambiguity." It means that you view things (life, opportunities, problems) from a familiar perspective, yet the unorganized nature of the image (or situation) does not allow you to see what is in front of you.**

For the most of you this is just a jumbled inkblot.

I need to show or "train" you to see what it is. Training will help you to see in a different way.

**(Future Pacing): Training will help you take action. Trump University will train you.**

Making new connections leads to breakthroughs and breakthroughs lead to new opportunities.

**(Future Pacing): Trump University training teaches you how to think differently about the opportunities you see every day.**

**How to see what's really there that you haven't seen.**

**How to uncover hidden assets.**

**To find the hidden element stop looking at the dark part that tends to attract your attention. Focus on the white areas. Do you see it yet? If you change focus, just a little, you will make a new connection.**

So what is this? Sir, what do you say it is? Ma'am? How about you? And you?

**Slide 07: Second ship slide**

With training you might also see how to move your present situation into a stronger and richer position.

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**(Future Pacing): How many opportunities have you missed because you haven't changed your thinking in your life, or couldn't see what to do?**

**How many assets lay untapped because you just know for certain they aren't there?**

**How many times are you left on the sidelines asking yourself "what happened?"**

**Trump University can help you see opportunities in a different way.**

**Slide 08: Dog slide**

Let's do another one, shall we? Same rules: look, but give others a chance before you say aloud what it is.

You may have seen this a little quicker than before because of the training you just had.

**(Transition): You're already looking for alternatives that are different than what you can clearly see.**

**You are already thinking differently.**

**(Future Pacing): Wouldn't you like to do that with money making opportunities? If you can see things differently than others, then you have the opportunity to take advantage and make money while they just stand around seeing nothing.**

**What could you do with that new investment insight?**

So what is it? Sir? Ma'am? You?

As soon as the idea is in your mind, you see differently, you think differently, you've made a new connection. You've had a **BREAKTHROUGH** that allows you to see things that others don't.

You have uncovered the hidden element.

**(Trial Close): Imagine if you had multiple BREAKTHROUGHS in your thinking when it comes to INVESTING and CREATING WEALTH. That could change your world and let you achieve and have things that you only wish for now. Don't you want to be able to see differently when it comes to making money?**

Let's try one more, and remember don't say what it is yet if you see it.

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**Slide 09: Cow Slide**

You're getting used to the idea of thinking differently.

You will now probably see this sooner than most people.

(Transition): **A skill that can be learned, just like looking at opportunities in a new way. Training will help you develop your skills. Our continued support will help you master those skills.**

(Trial Close): **Wouldn't it be nice learn ways to increase your wealth problems quicker? Master the art of making money. That's what you want.**

So, everyone, what is it? Sir? Ma'am? You?

**Slide 10: Why Do We See Things Differently?**

Why do some people see only problems, and others see opportunity? Why do we see differently?

Here are some factors that affect how we approach opportunities:

- **Education...** (Trump University or more traditional schooling approaches)
- **Experience...** (A wise man learns from the experience of others; a fool only learns from his own experiences.)
- **Insight...** (It is the "a-ha" in life.)
- **System...** (An organized and practiced approach to something.)
- **Specific Knowledge...** (Subject matter related.)
- **Support...** (Having someone to share ideas and throw around possibilities. Support is also great for helping you build confidence.)

All of these affect how we think about our situation.

In fact we all see the economy a bit differently, politically or by age or whether we invest or not or if we are self-employed or not. These also affect our view.

(Transition Statement): **The key of course is to learn to think like a billionaire, like Mr. Trump. That's what we do at Trump University. We teach you to think differently. If you don't see the deals he sees, you need to learn to see the deals that he sees. And you can because it is a matter of perspective.**



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**Slide 11: Struggling Economy**

Let's look at how things present themselves at this moment.

There has been enough going on to scare the best of us into paralysis. However, if you only see these issues in "one" way, then you are frozen in place.

**(Future Pacing): If you had the proper training and guidance, you would start to see these as new opportunities.**

There have been bubbles in real estate, commodity prices, dot-com businesses; you name it there's been a bubble.

We've seen the stock market melt down. Unemployment is at a record high. How many of you know someone who has been laid off in the last year? Frightening isn't it? What are you doing about it.

There is under-employment in which people's jobs are changed so that pay and opportunity can be pulled back. It's called "sliding down the totem pole". You were up here, and now you are down here. Who knows someone who has been through that? Frightening isn't it? What are you doing about it?

Inflation is rising. Taxes are going up. What are you doing about it? In times like these investors who are willing to stick their head out are the ones who come out ahead.

**(Future Pacing): You need to stay up-to-date as the market shifts so that you can take advantage of emerging trends before the competition. As I mentioned before, that's why as part of your yearlong apprenticeship you will have weekly web-classes to make sure you know what's happening in the market week to week. You'll also be exposed to related areas of investment such as probate and tax liens. Trump University will be your Wharton!**

**(Trial Close): Imagine if you had multiple BREAKTHROUGHS in your thinking when it comes to INVESTING and CREATING WEALTH. That could change your world and let you achieve and have things that you only wish for now. Wouldn't that be valuable to you? Wouldn't that be worth an investment of your resources?**

**Slide 12: Three Secrets to Creating Wealth**

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**(Transition Statement): What are you going to do during these tough economic times. The normalcy bias says you'll do nothing. Let's be honest. By a show of hands how many of you feel like you can't do anything in the current economy?**

**You're wrong! You can do something. You have to learn the secrets to creating wealth.**

Over the last 100 years, researchers have tried to understand how wealth is created. They tell us there are three secrets to creating wealth. The first involves having a system. The second secret is having specialized knowledge, and third there had to be support, both physically and fiscally.

**Slide 13: System**

What is a system?

**(Transition): A system is a specific method for achieving a certain purpose. What are they key words in that definition?**

That's right, specific method and certain purpose. You need to have a sure fire way of hitting your target.

A system will allow you to get the most from your effort, energy and resources. Rather than hoping for results a system is focused on producing them.

**(Transition): The Fast Track to Foreclosure Investing (FTFI) is a system-based approach to investing. It defies the conventional wisdom that you next door neighbor shares with you over the fence. It flies in the face in the advice that you get from well-meaning but broke relatives. It is based on Mr. Trump's years and years of experience.**

I was describing the FTFI to one of my best friends told me I was crazy. He claimed that nobody could make money in the current real estate market. When I proved to him that it could be done, he confessed that his current investments in financial instruments were in the cellar and he needed to learn more.

Trust me, investments like this have paid off in cold hard cash while my neighbor sees his investments dry up like a desert.

**Slide 14: Specialized Knowledge**

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**(Transition): This brings us to the second secret of success. When specialized knowledge is combined with a proven system, the results can be predictable, like the answer from a mathematical formula. formula.**

Ask yourself why professionals like doctors, lawyers, architects, engineers and accountants make lot more money than laborers, taxi drivers and retail clerks?

Part of the answer is that the professionals have taken the time and expense to master a body of knowledge. As they get better applying that knowledge they increase their ability to get results. The laborer, the taxi driver, the retailer they work harder and don't see much additional financial benefit for their efforts.

**(Future Pacing): The FTFI will teach you the specialized knowledge and proven techniques to become a black belt in real estate investing. You learn more about investing from Donald Trump than from reading a book from your out-of-work neighbor or attending a social network.**

And there are lots of people who claim that they are expert in this area but they rarely are. They try to imitate but they fall far short. If you want to learn how to play golf go see Tiger Woods. If you want to learn real estate investment, see Donald Trump.

**Slide 15: Support**

**(Transition Statement): We all need back up support and team work to achieve objectives. Trump University is your support.**

**Not only do we show you the system and provide the specialized knowledge but we stay with you during your Apprenticeship to guide you, motivate you and assist you in your endeavors.**

**Slide 16: Trump Philosophy**

Trump's philosophy is this: The world's best wealth-building principle is "buy low and sell high", and one of the best ways to do that is by investing in foreclosures right now.

**(Transition Statement): So, why are foreclosures so good? Do some of you remember way back to 1993? That's when the storm of the century happened. They made a movie about it. The pressure, the winds, the rain all came together to created a once in a lifetime storm off the east coast of the United States. That was the basis for the 2000 movie, "The Perfect Storm".**

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Well the same thing has happened in the housing industry and that's an incredible opportunity for us. Everything is coming together in a perfect storm that may swamp some folks, but if you are properly trained and supported you can prosper.

**Slide 17: Why Foreclosures**

Let's talk about a possibility that has the real potential for changing your life. And that is investing in real estate through foreclosure.

Donald Trump once said the best way to make money in investing is to "go in while others are getting out, and then get out when other people are getting back in."

**(Transition Statement): Here's why foreclosure is still a terrific place to invest. And when you learn to do it following Trump's system, specialized knowledge and support, you are going to do very well.**

Prices on real estate are at or near the bottom. There are bargains galore out there, if you know where and how to look. People have fled the market place. Now is time to get in. Once the Stimulus money, and bank reorganizations take hold, you will see people come back slowly at first, but they will come back. You want to be the one selling them your investment properties at a substantial profit.

There is also the power of leverage. Even today you only have to put down 10% to secure a mortgage (if your credit is average or above.)

You only have to put down a little money to secure real estate, and then you can sell it at an opportune time and reap profits on top of your leverage. But you may think that leverage can cut two ways. Not if you follow Trump's way. We'll show you how to do risk-free deals.

Use OPM. Other People's Money. It is still out there. You have to know where it is and how to negotiate the best deal for yourself, but it is there.

And there is a foreclosure boom going on. Sorry for you if you are being foreclosed, but good for you if you know how to invest. You can pick up these properties for pennies on the dollar, using OPM, and eliminating risk, all to produce profit and wealth for yourself. Short sales is a technique we use that speeds up investing in foreclosure and has the best profit potential

**Slide 18: Mortgage Delinquencies**

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Mortgage delinquencies are at an 29 year high. Now, here's is something you have to keep in mind. You know how awful you hear it is about foreclosures. Here is the reality: translates into more than two millions foreclosures this year. Those foreclosures represent your opportunity.

**Slide 19: Housing Inventories**

Here's another thing adding to the storm. Housing inventories are at a twenty-four year high, and that does not include new house construction. That means you have the opportunity to have the pick of the litter. And you will do it at a lower price.

**(Future Pacing): It's not like those foreclosures will force you to buy a run-down house. You can buy a very pretty house because the inventory is so high. Keep looking until you find what you like. As a matter of fact, at Trump University as part of your apprenticeship program, we spend a lot of time on two things: Finding properties, and then what is very important after you have found a property, rehabbed it and held it for a while, how to sell the property no matter what the market.**

We will show you ways so when you're putting your property on the market you attract more attention, and command a higher price. Not only that but with the increase in the sheer number of foreclosures comes an increase in the number of excellent deals available

**Slide 20: Interest Rates**

Here's the third part of the perfect storm. Not only are there more foreclosures and a greater inventory but interest rates are at historic lows. What does that mean for you?

It means you can get into these properties for far less money and less exposure. Things have changes. You'd have to be deaf and blind not to know about all of the things happening in the financial market. I'm going to tell you this. There are more deal being down right now by smart investors, that's always the way it is. When other people get scared and leave a market place its the smart investor who moves in.

I remember one to time Mr. Trump said to us over dinner, he said "real estate is the only market that when there is a sale going on people run from the store". You don't want to run from the store.

**(Trial Close): You want to buy when there's a fire sale in the real estate market. That's what you have to do. When you are trained and supported and following a system, you will be able to do it.**

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Now, let's take a closer look at foreclosures for a moment

**Slide 21: What the Foreclosure Boom Means for You**

Let's talk about what the foreclosure boom means to you.

First, because of the struggling economy, there are more foreclosures, more properties on the market, and interest rates dropping.

You should be able to purchase properties thirty to sixty percent below their present market value. When you do that you have instant equity in that property and equity simply means wealth. You have instant wealth in that property.

Now what you can do is you can convert that wealth quickly by reselling that property and you have the immediate cash.

And by the way you will see from a number of our success stories that I'll share with you people follow various strategies once they have secured an investment property. Some sell property immediately and others hold onto property for the long term. You can have positive monthly cash flow by renting the property out, doing a lease options, or option to buy, we'll show you all of those techniques and how to use them to great advantage at your training.

Some people just hold them for the long term. As a matter of fact one of our students had an approach in which he has bought six properties and his intention is to roll them, so he will always have one property for sale every year. And when he gets done selling all six of them he should be at an age in which he should be able to take all of his profits and relocate to some tropical isle.

**(Future Pacing): Wouldn't that be nice? Could you see yourself replenishing your bank account that has been decimated by economic losses? Can you see yourself in secure retirement because it took you five years of part time work to get there?**

**(Trial Close): When you join us at Trump University, we will show you how to do that. We begin with your education at Trump University but that is just the start of the apprenticeship, we stick with you through time to make sure you're successful.**

Let me go back to this idea of foreclosure. Remember I showed you early, middle and late stages of foreclosure? I want you to think about it this way.



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**Slide 22: Foreclosure, what Is It?**

A foreclosure is a legal act action is taken by a lien holder -- I'll explain that in moment -- to repossess property held by a borrower who is in default.

Default simply means you have not been able to pay your mortgage. In most states it varies on what a default might be. It could be as little as three missed mortgage payments. Some times it is a little bit longer.

**(Trial Close): We talk about the specifics of default laws at your Trump University training, which will take place in about two weeks. You should start thinking about looking at your calendar and arranging your schedule to make that happen.**

What is a lien holder? Does anyone know what that is? The lean holder is someone who made the loan, or bought the loan and now has a a right to the property that has put up for security for the loan.

**Slide 23: What are the Main Causes of Foreclosure?**

What are the main causes of foreclosures? There are many...take a look at my list here.

Sometimes it is just as tragic as someone loses their job. We know that businesses are laying people off. Unemployment is now around 9%.

Its bankruptcy, maybe a business failure, I know of someone who told me he had gotten into all things the pest control business. He had his home, he took out a loan on the home to buy himself a big beautiful truck, and a big beautiful trailer and all the equipment necessary to be in business for himself. Business conditions went bad, and he couldn't pay for any of that stuff, when he tried to sell it he found it was a limited market, and his house went into foreclosure because his business failed. Sometimes it happens because of divorce.

I remember a deal that involved a lady whose husband had other romantic interest and left her with the kids, the house and the payments. She could not keep the house up so she had to let it go into foreclosure.

There are many other reasons for foreclosure. By the way this last one, readjusting mortgages, that is the adjustable A.R.M., (adjustable rate mortgage). Frequently people got into the housing market with a low introductory rate and when the bench mark interest rate changes the mortgage changed and it changed again and before long they found out their mortgage was costing them and arm and a leg and they couldn't afford it.

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**Slide 24: Right here in River City....**

Right here in River City, foreclosures are booming and I actually went on the internet and looked it up.

These are really three different stages of the foreclosure process which I will explain to you in a moment. Just know for now this is the early one, this is the middle one and this is late. xxxxxx in the early stages of foreclosure, almost xxxxxx are at the middle stage, and xxxxxx in the late stage. I will explain those terms to you.

(Future Pacing): You'll find that when you come through your Trump University, you will find that we use plain English, we try to demystify all of the terminology, you do not have to be a real estate agent, you do not have to be a finance major, you do not have to be a college graduate to do any of this. We make certain that it is explained very nicely and very easily, and by the way that is a good thing because from the looks of you most of you have been out of school for a while and getting back into it can seem a little scary its not scary at all.

(Trial Close): We are in the business of educating and mentoring adults to become real estate investors, and we do it very well. You need to join us. It will be the smartest thing you have done in a long time.

**Slide 25: Trump Philosophy**

"There's no reason why an investor can't make money and help people at the same time."

Now, that's kind of a funny thing. You tend to think of people who invest as hard nosed or even greedy or taking advantage. Actually, not in the least. As a matter of fact there is no reason in the world why we can't help the distressed homeowners to avoid foreclosure.

**Slide 26: Let's Help Distressed Home Owners**

So we help the home owners.

People in the foreclosure situation are miserable. They are worrying about the bank, they watch the news, they get advice from friends who are well meaning, maybe they bother friends and relatives for money but everyone is pretty strapped right now. Worse, they have to consult an attorney.



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Here in River City attorneys charge about \$350 an hour to even talk to you about a foreclosure. If you're dealing with an attorney you're going to have big bills.

This comes at a time when people can't afford an attorney. They can't afford their homes.

They need help. They need you.

**Slide 27: Why Would Someone Say "YES" to You?**

(Transition): **How many of you are thinking "Yeah, right. You say foreclosure to a distressed home owner and they'll sic the big dog on you." How many of you?**

(Future Pacing): **The reality is that when you learn how to approach people, how to offer them some financial benefit for working with you, you will get a lot more cooperation than you think. We will teach you how to do that at your training. How does your investing in foreclosure short sales help the homeowners?**

Now why do you think that would become so important to them? Foreclosure is going to follow a homeowner around for seven to 10 years. It's actually worse than bankruptcy and stays on your record. Now, if you are of a certain age in which you aren't going to buy a piece of property it doesn't matter, or if you're very young and made a mistake probably doesn't matter. But for the majority of us who are having that financial albatross around your neck can be a disadvantage.

When we step in and help the foreclosure homeowner we are actually doing a service. We're making an investment that helps us make money, we're helping the bank out, and we're helping the distressed homeowner. We can prevent foreclosure, we can save their credit rating, make the transition smoother, sometimes we can move them out, sometimes we can make a deposit for them. There are a variety of things you can do including making rental payments.

By the way, some Trump graduates even share the financial gain with the former home owner. They sometimes pay to move them, to make deposits on a rental property for them, or even make a few rental payments to help them with the transition.

**Slide 28: Couple Helps Others and Makes a Profit**

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This is Tim and Linda Thomas of Chicago area. Some people say it is too tough a place to do real estate deals. It isn't, but you do have to know what you are doing.

I want you to carefully look at these words. Linda said: "Trump University taught us how to help others out of their already bad situation, a different way way of approaching a deal."

In other words a good deal is when both parties are blessed in that process. Ladies and gentlemen, we will show you how to do it. There's no reason to take advantage, as a matter of fact it's a bad deal when you take advantage, we'll show you how to make good deals.

**Slide 29: Show Me the Money!**

Let's do the math for this couple.

First deal they made \$15,000 in their first deal, you heard them. Second deal profits them \$78,000. As their confidence and skills grow, they do more rewarding deals.

As I said to you some people buy property to sell it very quickly because they want the cash, other people let value build and sell it a little bit later on which is what they did.

But within their first year of their apprenticeship they made an additional \$93,000.

**(U): Now ladies and gentlemen, you need to think along these lines. What would you do with an extra \$93,000?**

**How many bills will you pay with \$93,000? Wouldn't that make a dent in the stock market losses you've suffered?**

**That's four years of tuition, room and board at a state college. Or you can make your retirement more secure.**

**Ladies and gentlemen, my point is this, I want you to see these numbers, and understand that they can be yours, if you take action and follow the expert's guidance.**

**But also remember that there are people behind those numbers, and they need your help.**

**You can do well and do good at the same time.**

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**Slide 30: Trump Philosophy**

Here is what Mr. Trump would tell you: "When the going gets tough the tough make money". The fact of the matter is that there are more fortunes made in tough economic times than in the smooth and steady times. All the great millionaires and billionaires had to face adversity. They didn't give up. They worked their plan in good times and bad.

**(Trial Close): Wouldn't you agree that you have to take action to recover financially? You can't wait for normal to come back.**

**Slide 31: Fast Track Foreclosure System**

Remember the Three Secrets to Success? The first secret was "system". Do you remember the definition? A method for achieving a specific purpose.

The Trump system for fast-track foreclosure is to:

- **Find** the property,
- **Figure** if it makes sense,
- **Fund** the deal, and then sell or rent the property to
- **Profit.**

Every deal is approached the same way. Four steps. Do the four steps and you'll make good to great deals, and you'll avoid the mistakes some amateur investors make.

We will show you in your training a number of techniques to use to find investment properties, but tonight, we are going to focus one of the best ways to find low cost investment properties. It is called a "short sale".

**(Transition Statement): Has anyone heard that term before? You have? Great, then you have some experience that will make this explanation even more clear to you.**

**(Future Pacing): If you haven't heard about it, then this explanation is just the start for you. You'll learn more when you begin your Trump University apprenticeship.**

Let's look at short sales and how to profit from them.

**Slide 32: Short Sales**

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It's an investing strategy to negotiate a loan that is in default with a lender -- remember that's the lien holder we spoke about before -- and receive a discount for less than what is owned on the current mortgage. Now I am going to stop for a moment and think about it.

You may be saying to yourself "banks won't do that, banks won't take less than the mortgage, they are going to lose money?"

The banks will not lose money.

You know how a mortgage works, don't you? They loan you a certain amount of money, and then they charge you an interest rate over a certain period of years, 15 years, 20 years, 30 years. The longer they can get you paying the more profit they make. Generally speaking in a mortgage, the principle is paid down kind of slowly, it's all interest to these guys for quite a while.

So they've probably already made considerable profit on the mortgage they have already foreclosed on.

When you can come in and buy the property at a discount for less than the current mortgage, they've already made profit, you're relieving them of a problem, and they'll probably make a few bucks besides that.

Let me show you how that might work.

**Slide 33: In Default**

This is an actual letter to someone I know. It was sent by Wells Fargo to a homeowner who fell behind in his mortgage because he was laid off. He bought the home eight years before for \$124,000. It is now valued at \$225,000. The homeowner made improvements and has paid about \$75,000 in interest to date.

I want you to read..." records indicate that you're in default. ..." You can see the numbers. It is this year, as a matter of fact. Here is the interesting thing.

**Side 34: Suggests Short Sale**

In addition to the notice of default the same bank sent the following instruction sheet. They suggest a short sale to the guy, in other words the bank is saying "please take this route. Keep your credit history safe. Let us get our money back, let us find some one who will come in and you know what? We'll work with that investor".

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If the person knows what they're doing we'll do fine, and so that is what the bank will try to do. The banks would not have done something like this four or five years ago. They are doing it now because it is the best of all worlds.

Right now the last thing you want to do is be the bank of America sitting in from of Congress explain why you aren't being flexible in foreclosures.

**Slide 35: Short Sales**

Here's how a short sale might work. These are just numbers I just want you to see how they work. By the way, this is a pretty house. I want you to get out of your mind that you can only buy run down properties in foreclosure. People who had well paying jobs that have lost them or incurred some of the circumstances we described before, they also wind up in trouble. Those houses are beautiful properties and they come to market. So get it out of your head that it is only cranky old properties, it can be beautiful stuff. Some times it is a sky scraper in New York City.

Here's the way this one worked out. Current mortgage pay off \$440,000. That's a jumbo mortgage, that's pretty big. The bank was willing to discount it to \$270,000.

What an amazing opportunity that is for an investor! The bank made a lot of profit already and they just wanted to get out. The investors went ahead, did minor repairs for \$5,000; probably some painting.

They resold the property because they knew how to market it. The banks don't know how to sell these properties. They just list them with a realtor and hope for the best. Remember, I said to you before that we will not only show you how to find the properties but how to exit from that property and that critical and no body does that better than Donald Trump and Trump University.

These people were able to get out of the property and pull out a profit of \$65,000 in less than a 12 month period. Now, it just so happens that a lot of these deals happen within 12 months but that's because when you know what you're doing you can make it happen within twelve months. That's a lot of money.

And it was very little risk on the part of the investor, and it was very little sweat or effort on the part of the investor. But at the end of the day the investor had \$65,000 for their efforts.

I told you before you've got to get it out of your head that only ratty little properties come to foreclosure; they don't, beautiful properties foreclose too. Don't want you to ignore a lesser piece of property because you can just a easily make a ton of money on that bland property. At your training workshop

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and with the support of our mentors, we will show you how to make money with pretty homes and ugly homes.

**(Transition):** I mentioned the normalcy bias earlier. Most human beings will just sit back and say "I'm gonna let things run their course and they'll get back to normal".

So we make up excuses, we say...well you can only get bad property, we know that's not true. The other thing that gets in the way is people say "well, I don't have the money for investment. Where am I going to get the money? I've got my mortgage, I've got my 401K, the 401K is not doing so well, and I'm paying my mortgage but where am I going to get money?

**(Future Pacing):** There are billions and billions of bailout dollars floating around out there. You can get the money if you know where to look and how to do get them. We can show you how to do that at your training and with our continued support. Wouldn't you agree that alone is worth a fortune to you?

## Slide 36: Short Sale with Assignment

Once you have secured a property through short sale, what can you do with it? Let me show you some strategies. You will want to write these down.

Now that we have specific knowledge related to a short sale and what it is, you then have to ask, how can I make money with this?

Let's take a look at a technique called "assignment."

An assignment is all about getting quick cash out of a short sale deal. Here's the way it works: you take control of the property, but you never take the property.

When you fill out the purchase contract on your low cost short sale, you place your name on the deal with these three words behind your name "and or assigns."

This gives you the power to assign the contract to anyone who meets your specific criteria. In other words, if someone has money, they meet your criteria. You also need to add a phrase "subject to..." on the contract. Subject to what? Subject to any of these conditions:

- Approval of partners,
- Securing favorable financing,
- Passing termite inspection,
- Etc.

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You see, if you place a condition as "subject to", you can walk away from the contract if the condition is not met. So with these two phrases, as part of the deal, you can control a property without buying it, and you may even walk away from the deal if you can't find an assignee or get financing, etc.

Let's look at one Trump University graduate and how he used this technique.

**Side 37: Trump University Student Earns...**

Let me let you hear from one of our Trump University graduates. His name is Jason Bosch, from Ontario California.

By the way if you look at the news about California what's one of the things you know about foreclosures in California? That's right, it's probably the number one state for foreclosures. As a matter of fact I think the order is  
xxxx, xxxxx, xxxxx, *[as of Feb 9 Realty Trac: Nevada, California, Arizona, Florida, Oregon, Illinois, Michigan, Georgia, Idaho and Ohio... add the state the presentation is in.]* But it changes from month to month.

People will say that California is such a mess, that you really can't make any money. People assume -- incorrectly -- that if there are foreclosures going on then there just can't be any money around. Well, this student earned \$135,000 in his first year coming out of Trump University. Let me let you hear his story.

That went by pretty quickly and if you're like me you kind of have to see things in order to really understand them ....

**Slide 38: Show Me the Money!**

So let's do the math on this particular story. The first deal that he did and I believe he said he did it within four months of graduating from Trump University. He did a deal that gave him a \$95,000 profit. That's not bad at all.

Within the same year, the second deal that he did had a \$70,000 profit.

First year out of Trump University -- going through his apprenticeship -- , it starts with Trump University but continues with supported long after that, Jason was able to make \$135,000 in profit in what most people -- or certainly people not trained by Trump -- would consider to be a very tough economic market.

Now, I want you to stop and think about something for a moment... imagine for a moment you had \$135,000 profit in your pocket would that change your life at all? Would it change your year? I'm willing to bet it would.



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I mean a lot of folks are struggling right now, they are not secure in their jobs, maybe they didn't get the raise or the bonus they hoped for, unless of course you're getting a federal bail then I suppose it is okay. But most of us are not, so as a result a \$135,000 or half of that, \$60,000, \$70,000 would be an incredible economic boost.

What could you do with that money? I mean obviously you could do everything from paying off debts to taking a vacation, to treating yourselves the way you should be treated, put the money away for a rainy day would be my advice, save it, put it asked, find other real estate investments that will help you grow that money.

The point is once you have that kind of profit, your options about what to do with it grow. And you know, ladies and gentlemen, Donald Trump is all about creating options. At Trump University where our mission is to help individuals, it really is. Our mission is to help you have greater opportunity.

**Slide 39: Short Sale with Buy and Hold**

A third way to make money using a short sale acquisition is to, buy and hold. Write this down.

The real estate market may be tough right now, but it won't always be. So long as people have families, and people immigrate into the USA, property values will rebound.

When you buy and hold, you are building for the future.

**Slide 40: Veteran to Make Millions**

Let me share with you a story, this time about a Navy veteran, Joseph Erskine. He was a machinist's mate and after serving in the Navy 12 years he decided to come out and get into real estate investing, because again, he knew what he wanted to do. He came to Trump University.

He followed the methods that were taught at Trump University and the subsequent apprenticeship program. He was able to make \$98,000 by quick turning a piece of property. And again, that is a specific technique you will learn in your training. We will show you how to do it right and make maximum money.

He then went on to buy six more properties valued at \$1.6 million. Here's the strategy this Navy veteran is using. He is using it for income and he is using it for to build wealth. As a matter of act, his strategy is that of those six



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properties that he owns, he will sell one of them every year for the next six years and at the end and at the end of that time if he makes \$100,00 on each one he will have a nice \$600,000 dollars in the bank ready for him.

**Slide 41: Show Me the Money**

Let's do the math. It starts with a short sale that allows you to get the property at a very good price.

First deal, \$98,000.

Next six deals are valued at \$1.6 million; that's what the properties are worth. What he wants to do is target his profits to generate about \$100,000 per year. He got \$98,000 his first deal which is pretty close to being right on target.

(Transition): Is this man building his future? Yes he is! What are you doing to build your future?

**Slide 42: Short Sale with Lease Option**

Now here is another technique. Write this down.

Suppose you want to buy a property, again the short sale gave you some low cost good quality opportunities from which to choose.

When the property is purchased below the fair market value (remember how short sale works now!) you have instant equity in that property, and if you rent the property out, you get cash flow. But wait a second. What if you want to sell the property, how can you be sure that will happen?

Use a lease option. That means that you get a tenant to live in your property and pay your mortgage on it. Why would someone rent? Maybe they are coming out of divorce, or bankruptcy, or they just started a business, so they have to rent.

With a lease option, you can get a long term renter, generally at a higher rental rate, with the promise that at some date in the future, you will allow them to buy the property at an agreed on price. You agree to that price now, so they know what they have to do, and you have a good tenant paying premium rental rates all that while. By the way, if the tenant should leave, they go and you still have the property.

By the way, tenants who do this take very good care of your property for you. Why? Because someday it will be their property.

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Let's take a look at a graduate who used this technique.

**Slide 43: Apprentice Takes Action**

Here's an apprentice who took action. Robert Moulack, from Ormond Beach, FL., You know in this past hour or so we've been to Maine, Chicago, California, and now Florida. Trump University training works all over. He said "the training and coaching I received from Trump University is priceless. Less than a month after my three-day retreat, I closed on my first investment property."

Think about that ladies and gentlemen, only took him a month to get into it.

He earned \$50,000 in equity and he's now renting the property with a positive cash flow of \$400 a month. That means after he pays his mortgage and his expenses he's still making \$100 a week. That's like having another job making money. Notice he says that if it wasn't for the coaching, guidance and confidence I received from Trump University, I probably wouldn't have done anything yet."

**Slide 44: Show Me the Money!**

Let's do the math for Robert.

First year equity, by the way, what will likely happen if the real estate market does what it's been doing for 200 years? That's right that equity will grow, but let's just use his figure.

He said \$50,000. He said he was making \$400 a month cash flow, that means profit in this case from his rental properties, \$400 times 12 is \$4,800 a year. He said he would hold onto the property three to five years, I'm going to use five years, then that will mean he will have generated \$24,000 in passive income over that five year period.

So ultimately when he sells his property, assuming he has only \$50,000 in equity then, he will have \$74,000 in his pocket. That's roughly \$17,500 a year in extra money this young man's pocket if he waits five years.

Now he can make more by improving the property and doing other things. My point is, ladies and gentlemen, real estate investing is a tremendous way to build wealth and generate income.

**(Future Pacing): By the way I mentioned passive income earlier. Let me explain why real estate is such a wealth builder. When you go out to your job and you earning active income or earned income, not only do you pay**

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income tax on it but you frequently pay state tax on it and you have to pay social security and medicare taxes on it. Passive income does not get taxed in the same way. First off there is no FICA, there is no Medicare on it, you will still have to pay some level of income tax on it but there are all sorts of expenses that are legitimate expenses that can be used to off set the income.

So you don't necessarily have to take vacations anymore you could take business trips to places looking for other property if you know what I mean. Talk to your tax advisor.

**Slide 45: Show Me the Money!**

We've been having fun talking about the money you can make doing this, but some of you are thinking about how to get the money to let you make the money. Let's talk about the availability of money. Here are some sources of money that you may be able to tap.

The Trump Network represents potential avenues of financing, for finding properties and for purchasing the properties from you. We'll go over this in the training.

Mr. Trump is extraordinarily successful at what he does. He has a following, he has investors who do what he does and follow his advice. Ladies and gentlemen, that may be an avenue you can plug into when you become part of Trump University and our apprenticeship program.

You'll find that you can find partners who will give you bridge loans to make the investment. There are people called private money investors.

It was interesting. I was listening to the radio ... where was I driving... I think it was Orlando Florida, and there was this company that came on that talked about self-directed IRA's and how to do real estate investing within the IRA. Now that is a pretty cool deal. If you can grow within your IRA tax deferred profits, my goodness. That's amazing. But you can put some of your 401K money there. Don't let it just go down the drain in the stock market. You can use it for your own good.

You can use other people's money.

Some times the person looking to get rid of the property will finance it. Those are not principle residences but investment properties they held. They've got a bunch of apartment buildings or town homes they were renting out and now for whatever reason they need to get out of them you can short sell those too. And sometimes the owner will even kick in some money to help that happen.

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There are hard money lenders, those are people who lend against the asset itself. They tend to charge more money, they do charge points, but they are out there.

And there of course there are some of the traditional things: Home equity lines of credit, using 401K money, IRA money, some people even use credit cards to do this sort of thing. And of course there are the conventional lenders. They are still out there and still investing.

By the way, one of the best conventional lenders, and this is just a tip from me to you, are credit unions. Credit unions have not done the crazy things commercial lenders have done. They are much more sound, they've got lot more money to lend. And you know what? The laws have changed about credit unions. You don't have to be a super special person any more. Generally it is a geographic requirement that you live in a certain area.

**(Trial Close): Now let's recap for a moment. What we have said so far is that there is a tremendous opportunity out there in the foreclosure market. Specifically within the foreclosure market there are four places we can invest, pre-foreclosure, foreclosure, short sales and REOs. I've been focusing in on the short sale because you have the cooperation of the bank to help make the deal happen. They become in effect your ally for doing this sort of thing. When you learn how to do short sales properly, when you learn how to locate the properties, in the right neighborhoods, and the right property for you, the fact of the matter is you're in a great position to take advantage of this opportunity. And the nicest part of it all, is you don't take advantage of people in the process.**

**You take advantage of the economy and the situation. You didn't create it, neither did I, but the fact of the matter is it will work to our advantage. Don't you deserve to have things go in your favor for a while? Of course you do. Then join us at Trump University. Take action.**

What I described to you can probably say to yourself let me go to the internet or let me go to Amazon books, let me go to the library and I'll learn everything I need to learn about short sales and doing foreclosure and investing. I'm going to tell you yeah you can find things like that but ...

How did you learn how to ride a bike? Did you read about riding a bike and then make it work? Probably not. Chances are very good that what you did was is you got on the bike, maybe mom, dad or an uncle or a big brother or sister held you and helped you learn how to balance and how to steer and how to pedal and things or that nature. That's how you learn to do a lot of things. That's not just about the reading; it's about the reading, the support, the practice, having the bike, to do these things. That's what Trump University does.

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**(Trial Close): Trump University is like that person who stands along side you and helps you learn to do this. Join us.**

**Slide 46: Trump University**

We begin your apprenticeship with a three day training program. It's a live training session that we will conduct in an area hotel. Sorry, you don't get to go to NYC this time.

You'll show up in a room probably like this one. We'll have tables set out, materials will be set out, we make sure it's a very comfortable environment. There's coffee in the background, there's food to eat, things of that nature. We will have two lecturers there for you. One will be in the front actually conducting the training; one will be doing personal coaching in the back. If you have a specific question or issue come back and see the individual.

Again, that is part of this apprenticeship process, it requires attention and time to make it all happen.

During these three days I promise you that you will cover things that most experienced real estate investors don't know. They don't know. And that's probably because they had one area that they excelled at and they just stayed there. Donald Trump has done everything and he knows how to make these things work.

We will use our tried and true methods, things that Mr. Trump has done, things that some of your lecturers have done, and it will show you the right way to do these things.

You see this here, S.M.E. and online support? This is after you have finished your three-day program, and now it's the next Friday evening and you say to yourself "I've got a question about the deal I'm going to do." We have a 12 hour service 5 days a week. It's a hot line service. You call and speak with one of your mentors on the phone.

They'll talk to you, they'll know your case, they will keep notes on you and so anytime you need assistance from us we'll be there to help you and believe me ladies and gentlemen these people are all subject matter experts. They know the investing business.

Along with the training we will provide, the mentorship, the proven methodology; we'll have forms, guides, and worksheets. We've even got software, I'll explain it in a moment, we've a software that will help you find the properties.

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We will spend a lot of time on exit strategies. How to get out of the deal once you have it. Let's suppose you buy a property and its three years later and you say "gee I think the market has turned I think now is the time to sell what do I do?" We'll tell you how to do it, we'll show you how to make it happen. And then I'd also mention access to the Trump Network. That means access to deals, access to partners, access to money and access to credit, if you should need it.

**Slide 47: Trump Three-day Training Agenda**

Let's look specifically at the three day workshop again.

We will spend our time understanding the in's and out's of the system (Find, Figure, Fund, Profit) and show you exactly how to use it to your advantage. You will learn about this system from the lecturer at the front of the room, and from the mentor at the back of the room. You can get up if you have a specific question about a specific property you have in mind, and you can go ask for extra help.

As part of the system, we will show you how to find and "grade" properties: pretty houses and ugly houses; easy re-sales and buy and holds, properties to assign and properties that you want to hold the financing on.

**(Future Pacing): When we are done with you, you will know more about real estate investing than just about any realtor.**

Remember when we talked earlier about dealing with homeowners who are going into foreclosure? We will spend time talking and teaching about the techniques of negotiating with those owners. We will get into finding money to finance your deals. We'll talk about angel investors and where to find them.

We'll get into assignments and quick turning real estate investments for quick cash for a vacation - - oh excuse me - - for a business trip, or to buy that big screen television you need. The possibilities are almost endless.

And maybe most importantly, we will spend considerable time learning about how to sell the properties you have. We'll show you how to stage a piece of real estate so that it is most attractive. We'll even talk about how to get the most from realtors, if you choose to use one, while paying them the least amount possible.

**(Future Pacing): We will do it in a way that you be comfortable. You don't worry about tests or even struggling with notes. We will do everything possible to make this a great learning experience. We even make note taking easy by giving you a workbook that has every power**



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**point in it. You just have to keep track of the points made by the instructor.**

**Slide 48: Trump University Tools**

In addition to coming to the coming to the three days of training, and by the way we bring it here to you, you don't have to go to New York City. These are some of the tools we use.

First we will show you Donald Trump's negotiating system. Nobody negotiates better than Donald. We'll show you how he does it, why he does it, and how you can make it work for you. We will share with you marketing pieces for both finding and selling properties, and again I'll say this to you as I have before. One of the critical things is being able to get out of a property when the time is right for you. And that is what we'll show you how to do.

We'll talk about scripting to finding and controlling properties. We'll talk about contracts, addendums and forms. All of these are tools that we are going to give to you.

We will show you, once again, how to secure other people's money to make improvements in your property. We even know of grants that are given by the government that most people have no idea about, they don't have to be paid back, they're there for you, it's just money in your pocket to help you do these things.

And obviously, our online resources, to find properties and comps. As a matter of fact, let me show you a little bit about this foreclosure deal finder.

Now, how many of you are afraid of computers? Just a show of hands. Okay, well some of you. There is nothing to be afraid of here.

This is perhaps the easiest to use software in the world. If you can read, move the mouse, and click it, this software is going to work for you. Let me just give you an idea of what it's like.

**Slide 49: Trump University's Foreclosure DealSource**

Would you agree that computers and software have improved many areas of our modern lives? Of course you would.

But how many of you are intimidated by computers and software? Many of you.

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Well, we use a software program to find and value foreclosure properties, and it is so easy to use that none of you should be intimidated. That software is free at the workshop, and it is truly priceless.

**Slide 50: DealSource Slide 2**

**Slide 51: DealSource Slide 3**

**Slide 52: Training Schedule**

(Trial Close): This program all begins with a live training event. You've got to go to the live training event. That is the kicking off point. It is the beginning of your apprenticeship. You'll notice how many of our success stories they said with in a month I bought, within three months I had. You need the training.

Here's the way it's going to work.

(Future Pacing): We're going to be coming back here to River City in two weeks. We conduct the training program on Friday, Saturday and Sunday, its a full day each day. Now, of you are thinking "I have to work on Friday," or "I have an appointment on Friday." You know ladies and gentlemen, that's that group of people who ask "what happened." That's the normalcy bias kicking in again. You have to fight the urge to make excuses and do nothing.

If you do nothing you get nothing!

Change your schedule, change your appointment. Take a vacation day, paid time off if it is necessary, what it is but get yourself to the training program. It will be well worth your effort.

Other people will spend five or six thousand dollars for training like this. We don't come anywhere near it. We cut a great deal because we have a mission to help people like you to be successful.

**Slide 53: Trump Premium Membership**

We call this the Trump Premium Membership. Start with our training and become part of our community.

What you are going to have is 12 months of ongoing support. We will be there for you. You will have 12 months of ongoing support.



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There will be opportunities for continuing education, we will come back to regional centers and conduct two and three day conventions no charge to you, you show up and participate.

We will use live events to help you develop your peak performance, not just about real estate but other kinds of investing, too. We do weekly tele-seminars and occasionally webinars. What's the difference? Tele-seminars you get on the phone webinars are on the computer. It's really quite easy.

You'll be part of the Trump networking community and again, and sort of contract or form you need we make them available to you at no cost to you.

As a matter of fact, contract and forms alone from an attorney can be a considerable expense. They can charge \$350 an hour to draft a simple lease agreement. You will come to greatly appreciate having all of these forms and contacts available to you. We will give them to you for free and you'll save thousands of dollars in legal fees.

Now, that membership fee when we began was \$2,985. But I told you that the price was even lower than that, and there was a two-for-one feature. Let me show you how it works. We have had enough success that we are willing to drop the prices. I'll show that in a minute.

**Slide 54: What You Can Expect**

You know, people confuse "price" and "value". Price is what you pay for something. Value is what you get for your money.

Let me tell you what you get when you enroll in Trump University and the apprenticeship program.

When you are fully engaged with us, and you begin to make your investments, here's what you can expect: you will be

- Generating Additional Income
- Creating More Wealth
- Working Less
- Securing Retiring
- Building a Legacy
- Getting Out of Debt
- Taking Care of Your Loved Ones

We started this program out by talking about the struggling economy that we're in, I guess I have a question for you. If you don't take action right here and right now, the question is where are you going to be in a year?

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Now you could either be generating additional income, creating more wealth, working less, maybe retiring early, building a legacy for your heirs, getting out of debt or taking care of your loved ones. You can either do that or do nothing. It would be a shame to do nothing because that is not working any longer.

**Slide 55: Tuition and Membership Fee**

(Transition): The value of this program is exceptional. Now let me show you how I will bring the price down.

When we first founded Trump University, here were the prices we charged to attend. The three-day training event is \$1,495, usually we charge for one guest member \$495, the premium membership is \$995 for a total of \$2,985.

However, here's what we're going to do here today. The tuition of the guest member is included. The premium membership and all of that support is included, and remember the software you will receive at the training.

Two people will come to the program, \$1,495. Here's the only thing. That person who comes with you must be someone you are a partner with.

(Trial Close): Ladies and gentlemen, that means that you and a partner will attend the training for less than \$750 each! When you add in all the support and additional opportunities you will have as an apprentice, the value is unbeatable. What you need to do tonight is to stop waiting and hoping that "normal" will appear and you have to do something! You have to get involved if you want to make a change and secure your future.

**Slide 56: Investing your money elsewhere**

(Trial Close): You know in your heart that joining us this evening is the best thing you can do. But the normalcy bias lifts up its head again, and says "Don't do anything. Something else will come along." Don't listen to that voice.

That voice is wrong.

Let's just take a look at your alternatives:

(Key): If you put \$1,495 in the stock market, with the negative 40% we've seen in the last year, you'd lose \$598 dollars. But some of you will do that!

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**(Key):** What if you go safe and get a bank CD? That pays a whopping 2% rate of return. You'll make almost \$30 on your investment. By the way, the Federal T bill is paying "0%" interest right now. You can't get rich with that.

**(Key):** But if you invest \$1,495 in yourself and a partner, you only have to do one teeny-weenie little deal, and you'll make thousands! Heck, if you only made \$1,495 profit you'd have a 100% return on your investment.

There is no better and higher use of your money than to do this.

And it will continue to pay benefits for a long time.

**Slide 57: Risk Free Guarantee**

Making money may not be enough for some of you. You have lost thousands in the markets, but you worry about the \$1495 that you pay here tonight.

**(Trial Close):** Some of you are still worried. You say: I am convinced that Trump University is the real deal. I am convinced that Donald Trump can teach me how to make money in real estate. I am convinced that I don't have a chance of recovering my 401k losses unless I do something.

But still you want more. If I give you more, will you sign up?

Let me give you a guarantee. Let me take all the risk out of this decision. What if I gave you a money back guarantee? Would that make you happy? Would that remove the last barrier?

**(Trial Close):** Here is the guarantee. Come to the three day program. If after 1 full day (that's one third of the training) you don't feel this is for you, ...for any reason..., then pick up your materials, go to the back of the room and return them. We will give you a full refund. That's it. You cannot ask for more than that.

**(Close):** You'll have to sign up tonight. You'll fill out a simple one-page agreement at the back of the room with the help of my associates, by the way you met XXXX XXXX on the way in and XXXX XXXX and XXXXZ XXXX. They are there to help you. They know this process very well. And they have been members of the Trump University family for quite a while.

And what you'll do is fill out that simple one page agreement, you will make your payment, you'll do it with a credit card, cash, check or any combination, but we will ask you to do is get signed up tonight and

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**reserve your place. When you're done you'll almost be ready to go home and start learning more about this process.**

Once again, let me remind with you the risk free guarantee: When you and your partner come to the training program if at the end of day one, in other words you've attended one third of the program, if at the end of day one if you don't think this program is everything as I have presented it to be, it's not satisfactory, simply pick up your materials, go to the back of the room, see staff and they will give you back your money, it takes a week or two to get to you but you will get it, well refund your money, leave the materials and we will part friends. And you will have learned something too. We really do try to make this a risk free low cost way for you to become a wealthy person.

**(Close): You want more? Now there is something else we are going to do this evening.**

**Slide 58: Take Control of Your Life**

When you enroll in Trump University and make use of our systems, specific knowledge and continuing support, you will be taking control of your life. You will create a new normal for yourself; one that is much more enjoyable and rewarding than your current situation.

Follow the proven practices, philosophy and guidance of Donald Trump.

Discover how the current foreclosure crisis can become a farm of hidden opportunities of which you can take advantage.

Use the various techniques (assignment, lease option, buy and hold) and more to pull cash from your investments. Let the others cry about their losses in the stock market. Don't participate in the recession. Make money by investing when others pull back in fear and paralysis.

And do all this while you make a positive contribution to others.

**Slide 59: Your Apprenticeship Begins**

**(Close): Your Apprenticeship is going to begin after you sign up, after you enroll, by coming back here to the front of the room and meeting with me for about 10 minutes, its not going to take much longer than that. And in those 10 minutes what I want to do is I want to talk to you about how to start locating your first deal.**

So that way when you show up at your training program, but you'll have an idea of what is necessary to find a property. You'll come and sit down with

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us and well say this sounds like a good deal, this doesn't sound like too good a deal. If this is a good deal this is what you need to do, if this is not such a good deal this is how you can make it better. Let us begin that apprenticeship process today.

(Close): Ladies and gentlemen, you have it all now. I've given you everything I am permitted by the rules of Trump University. Now is the time to go to the back, enroll, get your starter kit, and we'll help you prepare for your training session.

Do it now.

**Slide 60: Trump Philosophy**

**(Close): Timing is everything. Do take advantage of this historic foreclosure boom or you will be left behind. Take action. Carpe diem."**

**Enroll today. Go do it now!**

# EXHIBIT 15

Fast Track to Foreclosure Investing - Free Introductory Class  
Mon Mar, 16, 2009 @ 01:00 PM<BR /> Speaker: James Harris  
Region: Riverside/ San Bernardino, CA  
City: Riverside<BR /> Venue: Riverside Marriott  
SEM\_PFF-20090316A

Program Coordinator<BR /> Susan Morrison

Sales Coordinators  
Michael Hinson  
Chris Lombardo

TOTALS:

153 registrations = 106 primaries + 22 guests + 22 walkins + 0 audits

3 cancellations [REDACTED]

3: OTHER

150 non-cancelled registrations

60 attendees [REDACTED]

9 buyers [REDACTED]

9 buyers [REDACTED]

[REDACTED]

NOTE: This is the transcript of SEMPFF20090316A Harris

James Harris: Watch. Now, if you keep doing what we have been doing out here over the past three, six months, four months, you are going to lose this year. You are not going to make anymore money. In fact, it would be probably a worse year of the last year because everything has changed. I mean Donald has changed, I have changed, we changed, so I changed this whole presentation. So I am not going to talk about the foreclosures today. I am just going to show you how to make some money when? Everybody say, right now.

Participants: Right now.

James Harris: Let us make some money, all right? And you will see why I do that because everything has changed.

Now, let me ask you this. Can I be your mentor for the next 90 minutes and let me you why I am asking you that, I am his top nationwide instructor and mentor. There is no nobody better. I am his number one guy. So, can I just mentor you for the next 90 minutes and show you how to make some money?

Participants: Yes.

James Harris: All right good. So that is what I am going to do. Now, let me finish with this. I did do a little bartending in the beginning because I have to put some money on the table while I was putting my first couple of deals together, any bartenders, ex-bartenders? Anybody who have ever tried this, just a couple of us? Okay, good. We will be having these guys up later at the bar later and mixing some cocktail.

I am a former license agent broker. At 29, I became in the top 1% producing brokers in the country. So, I have done pretty good at this that is why he picked me. Now, I am also a mentor. I build homes down in Atlanta, Georgia, that is where I live now. I use to live in Beverly Hills, so I am investing the California markets since 1995. So I know area out here. And if you tell to anybody about me here today when you leave, I just want you tell him two things, "Men, that guy James Harris who works for Trump, he is the best husband and dad in the whole wide world." That is all I care about. Just raising the kids, right?

Okay, so here is what is going to happen. I hope you appreciate this. I am going to be very upfront with all of you. I am going to talk for about 90 minutes, show you how to make some money when?

Participants: Right now.



James Harris: Right now and then I am going to ask you to come back next weekend. Here is why. I am coming back with my power team and I have him here with me today. You are going to meet them in a little bit and I am going to come back and I am going to spend three days with you. I would really show you all of our strategies to make a killing out here with all these foreclosures and bank owned properties and all the distressed properties, okay.

Now, let me tell you why I am putting this upfront, all right? You guys spend a lot of time to come here today and I appreciate that. I have done everything you have done here today. You know what I mean? I have been through hundreds of seminars. I have read hundreds of books on real estate and financial investments. I always have a real estate book under the shoulder, personal development book under the shoulder and my mentor always tell, "Jim, go learn from this guy and that guy" and I did.

But you know what I hated and that is why I do not this to people. I hate it when I sat in front of a speaker for like two hours, like you are going to watch me today and then at the end, they said this, "Oh! If you really want to learn how to do it, you need \$5,000.00 come to our boot camp next month." I want to punch the guy in the face. I hated that because I was all excited and I did not have the money and I actually have to spend five grand on my first boot camp to do real estate, right?

So here is the thing. I told Donald Trump I was not going to do that to people. I will show you how to make some money when we were done. If you see value, you like what you have heard today. Guys, there is an investment for that training. I am very upfront, okay. You go register for or you do not. We do not persuade or convince anybody to do it, okay. Is that completely fair, yes or no?

Done here we go. Let us get in to it, okay. Donald Trump started Trump University right here on 40 Wall Street. It is down by ground zero. He picked up this building about 14 years ago for about \$1.2 million and now it is worth and now it is worth over \$400 million. Class, did he get a pretty good deal? Oh come on, talk to me.

Participants: Yes.

James Harris: He got a phenomenal deal. Here is why. Now, I want to set your expectations for the next 90 minutes and for the rest of your foreclosure career. Here is what you have to look forward to. Watch.

That building, kids, was going into what? That was a foreclosure. So what I am going to do here, I am going to show you how to find a couple little bread and butter low

income houses right around the area of San Bernardino and Riverside and I am going to show you how to put a couple of strategies together here in the next 90 days or less so you make some money for your family, when?

Participants: Now.

James Harris: I am all about right now. Let us have some fun. Are you with me? Please say yes.

Participants: Yes.

James Harris: Here we go. Now, this is very creative. It is very unorthodox, non-conventional real estate. This is nontraditional. Most of you have never heard of this before and that is okay. But after today, when I am done, I am going to have an orientation in the back. And what I am going to do is I am going to give you ten strategies to go out and find these deals, when?

Participants: Now.

James Harris: So you can make some money, all right. So I want you to sit through my orientation when we are done.

I am going to say, please say yes, I am going to say this if that make sense. I want you to participate. Here is why. I got about 90 minutes with you and I do not want you to obtain the information. I want you to retain it so you will remember it. So you will go out and find your first deal, when?

Participants: Now.

James Harris: There you go. Okay, good. Does that make sense?

Participants: Yes.

James Harris: You got it, perfect. All right, this is called an assignment. So let us write this down on top of your notepad. If you do not have a notepad and pen, I suggest you go to the back and go see Chris and the team back there, okay, and Michael, and Suzie, and go grab a pen and a pad. Now watch, okay. All right, everybody say assignment.

Participants: Assignment.

James Harris: Now, you are not going to get rich on this one. Don't you get mad at me even though I am your what?

00:05:04

Participants: Mentor.

James Harris: I am your mentor for the next 90 minutes, watch. You are not going to make a lot of money on this one, okay. I just want to show you how to put a couple of bucks on your pocket. When?

Participants: Now.

James Harris: You got it. Here we go. Okay, now watch. You guys are the seller. You guys over here, you are going to be the buyer. You got it, okay. Now, you have this property then you guys—I do not know, you tell me right or wrong. Are there like \$300,000.00 or \$400,000.00 properties around the area?

Participants: Yes.

James Harris: Are there a couple of them? No, there is a boatload of them, are they not? So let us say, \$400,000.00. So everybody write that down. You guys got this \$400,000.00 property and you are about eight weeks away from going into what?

Participants: Foreclosure.

James Harris: Foreclosure, okay. Now, what is going to happen in eight weeks, the sheriff is going to come to your house. Knock on your door and he is going to say, you need to vacate because the bank is taking your property back, right? It says right here. Now, do you all know how long they have to get out of the house when the sheriff shows up and he says, "The bank is taking it back?" Does anybody have any idea?

Female 1: Three months.

James Harris: 30 minutes, right it down, 30 minutes. It is bad. The bank sends him a letter, called a notice of default letter. The sheriff sends him a letter, say, "I am coming back in 30 days." And when he shows up, they got to get out, and how long?

Participants: 30 minutes.

James Harris: You guys get it. So write that down because later you are going to go out and find your first foreclosure deal. When?

Participants: Now.

James Harris: Here we go. Now, what is going to happen is you guys owe the bank \$285,000.00. So right that down. \$285,000.00, right? \$285,000.00 on the mortgage and we are going to make an offer. We are going to offer \$300,000.00. So write that down. "James, why are we doing that?" Well, if we do not offer something to get them out of the mortgage for about eight weeks, they are going to into what?

Participants: Foreclosure.

James Harris: Now, I also want you to write this down, okay. They are going to ruin their credit for seven to 10 years. So write that down, okay. Get loan, credit card loan, boat loan, car loan, motorcycle loan, student loan, business loan—no loan, class, for how long?

Participants: Seven to 10 years.

James Harris: Seven to 10 years, it is pretty bad. It is actually financial catastrophe, you want to avoid foreclosure like a plague, it is not good, right?

Okay, so let us go over the numbers one more time. Property is worth, how much?

Participants: \$400,000.00.

James Harris: \$400,000.00. What do you owe the bank?

Participants: \$285,000.00.

James Harris: What do we are offering?

Participants: \$300,000.00.

James Harris: Okay, good. So what we are going to do is we are going to take this assignment contract. Look up here. That is a one page form. It is not hard. I did not say it was easy. We are going to need a little help on the first one. We are going to assign it to you over here. We are just going to make a couple of bucks, okay. Don't get mad at me. You are not going to make—you are not going to be rich on this one, okay.

Now, watch, here we go. You guys are going to accept our offer. You now why? And you know what, let me back this up a little a bit. There is a lot of reasons people going to foreclosure and there is a lot of reasons people will actually sell their house right now in California for a lot less on what is worth. Foreclosure, you got the divorce sales, the back taxes, the job losses, job relocation, right? Hey, I do not know. You guys tell me, are there a lot of people this year in this country loosing their jobs. It is happening everywhere, right?

So there is a lot of reasons people will let it go for the lot less of what is worth. Right now, it is all the foreclosures.

Okay, so we are going to assign this here, okay and we are just going to solve a problem. In fact, let me start this at the right way. Everybody say, problem solver.

Participants: Problem solver.

James Harris: Me and Donald are going to teach you how to become a problem solver, but here is the cool thing. In real estate, when you are a problem solver, you get rich. It is simple as that, okay.

So here we go. All right, \$400,000.00, \$300,000.00, you owe the bank, how much?

Participants: \$285,000.00.

James Harris: We are going to put this in our own name, right? What do you think?

Steve: Yes.

James Harris: Wrong. Write this down. That is why you are at Trump University. Okay, we are going to put in a LLC. Let us write that down. That is a limited liability company, who know why? Steve, if you do not want anything in your own name—nothing.

Steve: (Inaudible).

James Harris: You better believe it. Now, here is why. So listen up, watch, watch. I do not have anything in my own name. You should not have anything in your own name. Here is why. Now, take this serious, I am not here to scare you. Let us say you leave here today, run out of here. You are like, "I am all excited. Honey, I am going to James Harris's training next week. I am going to be a Trumpster" and you hit an eight-year-old on bicycle out here, God forbid, right. You know what might happen if that family get a lawyer. The lawyer is going to what you?

Participants: Sue you.

James Harris: Sue you. And then he is going to take everything in your name. Your house, checking, savings, money market, CDs, stocks, funds, 401k's, IRA's, whatever is left of them. Your pension plans, your retirement plans, garnish your wages for the rest of your life, and then he is going to make you pay that family for the rest of your life all because, Steve and they have stuff in their own what?—Name, get it out. Okay, I am not here to scare you. Let us put together in LL, what?

Participants: C.

James Harris: You got it. And it will be something like this, right Don and Linda's Real Estate Solution Providers of the Greater Riverside San Bernardino, Riverside County area, LLC? That is a little long, I have to shorten that one up. And then after that, we are going put three little words. So I want you to write this down so you do not sound like a dummy when you leave here,

"and/or assigns." I write that one down, "and/or assigns." It goes right after the LL, what?

00:10:10

Participants: C.

James Harris: That way we can do this. Look over here, watch, watch. You will get it. Write down, "and/or assigns." We are going to assign this to somebody else. That is all we are doing. Is everybody with me so far? Give me a big yes.

Participants: Yes.

James Harris: Here we go. Now, watch. We are going to give ourselves 60 days to close. Write that down. 60 days to close and kids if we cannot close in 60 days, this family is going into what anyway?

Participants: Foreclosure.

James Harris: They are going to lose it. So we are just trying to solve, a what?

Participants: Problem.

James Harris: You got it. You are with me. Okay, now we are going to put a safety clause in here because we want to have like to little to no risk. I am going to give you a couple of safety clauses next week in class, something like this.

This offer is contingent upon my partner's approval. This offer is subject to my financial arrangements getting in order and I was to put this one in there. In case I change my mind, I am still interested and I was to put that in there. You know why? I do not want risk. You do not want risk. Would you all agree? Talk to me guys.

Participants: Yes.

James Harris: You want an 'out.' Is this making sense, please say yes.

Participants: Yes.

James Harris: I am teaching you how to make an offer in real estate, the right way. I hope you appreciate this. Once we get assigned, how long do we have the close?

Participants: 60 days.

James Harris: Got our safety clauses, okay. We have it in our own name, right?

Participants: Wrong.

James Harris: LL, what?

Participants: C.

James Harris: You got it. Next thing we are going to do is get this notarized. Write that step down—notarized. If you buy a piece of real estate and you do not do it this way, you are doing it wrong.

Next step, you are going to file it down at the county courthouse. In that way, we have an affidavit on the title. That is called clouding the title. Everybody say clouding.

Participants: Clouding.

James Harris: What that means is that nobody else can go buy this property around us. They are going to go through us. We have an offer. It is at the court. It has been registered. That is an affidavit. That is totally legal in all 50 states. Is everybody keeping up so far? Give me a big yes.

Participants: Yes.

James Harris: There you go. Now, we got to find a buyer, when?

Female 2: Now.

James Harris: Right now. Here we go. Here is the ad, right. "Owner motivated, must sell house worth \$400,000.00 will let go for \$325,000.00. Hurry! It would not last, move in special." Do you think, you might get a couple of phone call around San Bernardino, Riverside on that one? Hello.

Participants: No.

James Harris: What, are you out of your mind? Let me ask a question. Stop, listen, I am your what?

Participants: Mentor.

James Harris: Mentor, watch. Ladies and gentlemen, did you come here today, looking for good deals to make a lot of money on, yes or no?

Participants: Yes.

James Harris: So as everybody else. So don't you sit here and tell me nobody is going to call. I have been doing this for 21 years. I buy real estate nationwide. I got properties out here. We buy behind your back because you just do not know how to do it yet. Is everybody with me? Please say yes.

Participants: Yes.



James Harris: You are going to get thousands of phone calls. Everybody is looking for a good deal right now. Come on guys, you told me earlier everything has changed, so everybody is looking for a good deal. Is this making sense? So if we say \$400,000.00, and \$325,000.00, your phone is going to ring off hook Steve and you got to listen to me. And you guys came here because you want to do your first deal, when?

Participants: Now.

James Harris: So we get to tell everybody, "Hey! We got a good deal." So watch. You guys are going to call and you have been looking at houses in the area around the 400 range, okay. Now, we only want to talk to people and I want you to write this down. Who are pre-approved for the, what?

Participants: Loan.

James Harris: For the money. Why waste time with losers. If they do not have money, forget about them, okay. Everybody say, forget about it.

Participants: Forget about it.

James Harris: If they are pre?

Participants: Approved.

James Harris: We are going to send them over to look at the house and believe me guys right now, buyers have been coming back out in drawers. The real estate sales are up over 6% in California. You got to keep up with the statistics, okay. Buyers are coming back out? Are you with me, say yes?

Participants: Yes.

James Harris: You better believe it. Now watch, you guys are going to call. If you are pre what?

Participants: Approved.

James Harris: We are going to tell you to look at the house. If he calls back and say, "We are interested. We have been looking at \$400,000.00 or \$450,000.00 houses. Same three-bed, two bath around the corner, over here, maybe it leaves a little work for \$325,000.00. We are interested." We are going say, "Okay. We need to fax you or email you over two things." So write these things down.

Number one, an appraisal, right? Now the appraisal is going to show this couple that the house is really worth, how much?



Female 3: \$400,000.00.

James Harris: We are also going to stand over a title report. For title search is going to show that there is judgments, or liens or encumbrances on the title, but our affidavit will show up. So everybody with me, give me a big yes.

Participants: Yes.

James Harris: Now, if they say, "We are interested." We are going to say, "Are you pre what?"

Participants: Approved.

James Harris: And if they say yes, we are going to say, "Fine, no problem." So everybody try that. That is actually in the scripts I teach you next week end up training. Everybody say fine.

Participants: Fine.

James Harris: No problem.

Participants: No problem.

James Harris: And then we are going to say, "My attorney is going to call you and you are going to go do a closing. So that is the last step. Everybody write down closing.

00:15:06

Now here is what is going to happen and do not overlook this. It is not that complicated and you are going to have a lot of questions, watch. Your attorney is going to show up. He is going to do the closing. Write this term down. It is called a simultaneous close. Everybody say simultaneous.

Participants: Simultaneous.

James Harris: Simultaneous close. You guys are going to close. Now, I am your mentor. I have already given you the answers. Everybody has to yell them out. Let us see who has been listening. How much are they buying it for?

Female 4: \$325,000.00.

James Harris: \$325,000.00. What do we put on the contract to buy it for?—\$300,000.00. So you are going to buy the property for \$325,000.00. We just assign it to you. That is all we are doing. And then what is going to happen is \$285,000.00 of that \$325,000.00 is going to your bank to payoff your mortgage. I just got you out of what?—Foreclosure. I am going to put you on a lease option which is the next strategy. You will still going to remain a homeowner. You are going to a

lease out a property from me with an option to buy. I am still going to help you to live within your what?—Means. You guys are going to send me referrals because I gave a nice discount. You are going to send me referrals because I save your credit from getting ruined for how long?

Participants: Seven to ten years.

James Harris: Seven to ten years. And watch what is going to happen. After the closing, you got the difference between the \$300,000.00 and the \$325,000.00, which is how much?

Participants: 25 grand.

James Harris: 25 grand. Where does that go?—International Hip Bank? Where is this? That is your pocket guys.

[Laughs]

You just make \$25,000.00 on a house that you never took title too. Is that okay? Oh! You give me a freaking break! Is that okay?

Participants: Yes.

James Harris: Now the reason you are not getting too excited about that is this, you do not believe you can do that and you do not think you are worth 25 grand or one big fat check. And I got news for you, you are. Are you with me, give me a big yes?

Participants: Yes.

James Harris: Let me explain to you how we can do this a hundred times a month right and I have been doing this for 21 years. Listen, has anybody every got a mortgage on a house before? Okay, three of you.

All right, let us start here. Stop. How many people in this room right now currently live somewhere? Okay, I still see people not raising their hand to that one.

[Laughs]

All right, look for those of you who got a mortgage on a house before. I do not know—you tell me right or wrong? Come on. How many of you got a mortgage and then you went and move into the home, right? You signed all the paperwork and you signed all those checks, remember that day? And then you are in your home and said, "Honey, we are broke. We are going to go back to work." And then what happen was you got this letter in the mail and a couple months later since something like this, "Honey, I checked out those letters." Wells Fargo now currently holds your mortgage. We assigned your mortgage for

a fee from Bank of America. Now, you are going to make your monthly payments to Wells Fargo because now they hold your mortgage?" Has anybody ever heard of this?

Participants: Yes.

James Harris: Okay, now watch. You are going to get this. Watch, good. The bank assigned the paperwork on every mortgage they lend out guys. As soon as their ink is dry, they assign it to another institution for a fee. That is normal daily business with the banks. We are going to go the same thing in real estate which means this. Listen to me.

Kids, you do not have to own real estate to make money on it. You just have to control it for a little what?—Time. And with all these foreclosures out there, we can actually help people and have a little passion and care. Helping get him out of what?—Foreclosure. Have somebody else a good deal and we just charge your fee, but I do not know about you, but you tell me if this sound exciting.

Next week and if I can show you how to do one of those a month, now you guys have blown January and February and halfway through March if you have not been in real estate, right? The biggest opportunistic time you would ever seen in real estate in this country, you guys know that that is why you are here.

How about this, I will show you how to do 10 of these assignments for the rest of the year. You make 25 grand on each and I show you how to do it without any money, no credit, no license, and no loans. That is an extra quarter of million dollars this year for you and your family. Would that be okay?

Male 1: Yes.

James Harris: Oh come on, the enthusiasm sucks in this room. Would that be all right?

Participants: Yes.

James Harris: Good. That is called an assignment and ladies and gentleman and the only reason you would not do those when you leave here today is because you are lazy. I am going to give you strategy number two, right it down. I told you, I am coming after you, right? I am your what?

Participants: Mentor.

James Harris: Yes. You know what a mentor does? It kicks you in the asses so you go out and do it. The real estate stuff is not hard. I did not say it was easy. You know what a mentor does, he gives

you a little push. When you agree with me that most people need to push? Yes or no?

Participants: Yes.

James Harris: Especially when you are learning something new. You are going to need somebody who kind of hold your hand and guide you. That is what I am going to do. You guys realize I am starting to train you right when?

Participants: Now.

James Harris: Here we go. Next one, lease option. Here we go. Everybody say lease option.

Participants: Lease option.

James Harris: Now keep and open mind on this one. This is a little bit more creative, couple more steps, okay. I would really suggest writing this down sir because I am going to show you when I am done in the back. How to go find your first assignment and lease option deal when?

00:20:04

Participants: Now.

James Harris: Right now. Here we go. Yes, write it down. Here we go. Okay, so you guys are going to be the seller. You are going to be the buyer. I am teaching my nine-year-old and my six-year-old, Jake and Max, exactly how I am teaching you and they are actually getting it, so there is no reason you cannot get it.

So here we go, all right. You are going to use the same numbers, so you guys can retain it, okay. \$400,000.00 house, this is a method I created when I was about 22, write it down. It is called the For Rent Method. "For Rent Method." So let me ask you all a question. Have you guys ever seen a "For Rent" sign out there?

Participants: Yes.

James Harris: Hello?

Participants: Yes.

James Harris: There is thousands of them, right? So many tried to rent out a home? Duplex to triplex, fourplex, condo, town home, so we are going to call them. We are going to go like this and I got all the scripts in the manual, right? You just say what I say and do what I do and you would not mess it up.

"Hi Charlie, this is James. I got your For Rent sign on my hand and I got a question for you. Would you be interested in a rent to buy situation on this house here instead of just renting it out? Let me explain myself. The market is little slow right now. If I could pay you on the first of the month, never call you, cover all your maintenance and repair costs. No hassles to you. Guarantee your lease money or rent money for the next three to five years. Maybe if we give you—I do not know 10% interest on your money and never call you. Would you consider a lease within an option to buy until the market has turned a little?"

You know, half of these landlords in this kind of market right or saying what—yes. But, how does that work?

So we will just have to make him comfortable. Everybody say comfortable and we have to explain it. So let me show you how to explain it, okay. Now, I am going to through it once and you are not getting it, but I am going to take my time. Let us see if you get it, watch.

So this property right here, worth how much?

Participants: \$400,000.00.

James Harris: \$400,000.00. All right, if he was just trying to find a tenant and just to rent it out, you are probably going to want what exactly what is worth right now. So here is the question. Are the real estate values in California right now, up or down?

Participants: Down.

James Harris: Oh completely down, right? Okay, so real estate properties worth over \$500,000.00. Is this making sense guys? Hello.

Participants: Yes.

James Harris: It is really worth \$500,000.00 or more. All the prices have come here? So right it is only worth \$400,000.00. So that is good, watch.

So I am going to give you exactly what it is worth. So I am going to pay you exactly what is worth which is \$400,000.00 right now. And what I am going to do—ladies and gentlemen, I am going show next week and have to pay people right around this hotel here, right in San Bernardino, Riverside. I am going to show you how to pay him what the house is worth right now and still make a killing. Is this okay?

Participants: Yes.

James Harris: Oh come on, talk to me guys.

Participants: Yes.

James Harris: All right, here we go. Now, \$400,000.00. Now, if we are going to do a lease with an option of what?

Participants: Buy.

James Harris: Buy. You are going to be the buyer. I am going to try and get into this thing because I am giving you what is worth with how much down? Zero, write that down.

Now, I will show you how to do with maybe 50 bucks, 100 bucks, or 500 bucks. We still make a ton of money. But let us ask—let us ask for how much down?

Participants: Zero.

James Harris: Why not and usually they say, "That is okay, but I want exactly what is worth." I am not going to take a nickel off the price and you know what we are going to say? There is no rhythm in this room, whatsoever. What is going on? I just taught it to you. Everybody say, fine.

Participants: Fine.

James Harris: No problem.

Participants: No problem.

James Harris: But I want to get in for zero down. Now we got to do the term right we are going to lease it out with an option of what?

Participants: Buy.

James Harris: Three year term, jot that down. Three year term, we are going to pay \$1500.00 a month. So let us write all these down. We are going over it one more time. Now, I already gave you the answers. So here we go. House is worth how much?

Participants: \$400,000.00.

James Harris: \$400,000.00. What are we buying it for?

Participants: Zero.

James Harris: No, not zero. \$400,000.00. How much down?

Participants: Zero.

James Harris: Zero. What is the term?

Participants: Three years.

James Harris: Three years and our payments a month is how much?

Participants: \$1500.00.

James Harris: \$1500.00, you got it. You guys are smart group. Now, we got to get some paperwork sign because we have to make him com—?

Participants: Comfortable.

James Harris: Comfortable, watch. This is a lease option agreement memo. You are not going to find this anywhere else. I created this. This is exclusively coming from Trump University. It says this, watch. This says that we have 90 days to find a lease option buyer and if we cannot find a lease option buyer—Deborah, tell everybody. If we cannot find a lease option buyer within 90 days, this memo becomes null and what?

Deborah: Void.

James Harris: That means we have no risk. Now, how much did we give him down?

Participants: Zero.

James Harris: Nothing. Is this is getting a little interesting. Talk to me, talk to me guys.

Participants: Yes.

James Harris: Okay, watch. It also says we can advertise the property. We could put a sign on the roof, sign on the window, sign on the front lawn because we have to find a buyer when?

Participants: Now.

James Harris: Right now. So we are just trying to solve of what?

Participants: Problem.

James Harris: He has got a vacant house. Question, does anybody want a vacant house?

Participants: No.

James Harris: No. What do they want coming-in off in every month?

00:25:00

Female 5: Money.

James Harris: Money. So we are going to try to solve this problem that is all we are doing. Everybody with me, please yes.



Participants: Yes.

James Harris: Now, once he is comfortable with that, we get to get something now signed, okay. We are going to lease it out with an option to what?

Participants: Buy.

James Harris: And then we got to a sign a purchase and sales agreement once we sell it. We are going to get all this stuffs signed in our name, right?

Participants: No.

James Harris: What we are putting in it?

Participants: LLC.

James Harris: You got it, you got it. Once we get all that done, we got to find a buyer, when?

Participants: Now.

James Harris: Here is the ad, watch, "Lease with option to buy, no banks, no credit checks, no background checks, low down, low qualifying, low monthly payments, stop making your landlord rich. You are throwing your money away every month. Buy this house today with one to five grand down. Hurry, it would not last." Move in special." We are going to put a sign on the roof, sign on the window, sign on the front yards, sign up there. We are going to have an arrows pointing to the front door, so all the buyers know exactly where to go in. Is anybody with me, please say yes.

Participants: Yes!

James Harris: I am going to show you how to sell this one within days. Is this exciting?

Participants: Yes.

James Harris: So here we go, watch, okay. Keep the enthusiasm at low guys. Watch, you are the buyers. You are going to see that ad. You are going to try to buy. Hit the breaks. "Honey look, this guy is probably selling his house with no money—no credit. Call him up right now. I am sick and tired of renting." Is this making sense?

Participants: Yes.

James Harris: Guess who our target is, write this down. All of the renters in the Riverside County area, are there a bunch of them?



Participants: Yes.

James Harris: No, boatload, right? Tens of thousands of them, so watch, I am going to teach you to teach people how to become a home owner because ladies and gentleman, is it not an American dream to own a home? Yes or no?

Participants: Yes.

James Harris: We better believe it. Nobody wants to rent. Renting stinks. So watch, you are going to get flooded with calls if you run that ad like that and how about this? If I just give you all my ads that I have been using through out the years to find like hundreds and hundreds of buyers with these properties, right? And believe, they are all out there right now and I just give you the ads next weekend and you just change the number, would that be okay? Forget it, no forget it. Forget it, you guys suck.

Now, here we go watch. We are going to get a lot of calls. We are going to send you over the property. Here is the price and terms, jot it down. Take this serious, watch. We are going to raise the price on this by 10%, so your price is \$440,000.00. Let us write that down. We are going to keep it nice and simple, \$440,000.00. "James, why would anybody pay more than what the house is worth?" Let us talk about that.

Yes, watch. Are the values of real estates up or down?—Down, property is really worth how much? Over five, when this market turns next year, I am telling you it is going to turn by next year guys. Watch, okay. You are going to have built-in equity plus you are renting, I am going to make you a home owner. Is this making sense?

Participants: Yes.

James Harris: Okay so watch. \$440,000.00. Now in the ad it said no credit checks, no bank checks, low down, low qualifying. Here is your qualify—\$15,000.00 down. So let us write that down, "James, where the heck the people going to get \$15,000.00?" That is a pretty question. You guys are asking all the right ones.

Here, have you guys ever heard of somebody being real estate poor, in other words, they do not own a house, but they are cash rich. They got some money. Talk to me guys. That is 90% of California actually. Okay, a lot of them are renting.

Now, the converse of that—have you ever heard of somebody being real estate rich, they own real estate right now but they did not get no money. That actually all over the place right now, is not it?

Okay, so watch. We are looking for the people who have some money, but they are living in a home. Credit might stink, but they have got a good job. They are making money. Okay, there is a ton of them out there and they really want own a home. So \$440,000.00, 15 grand down. But I want you to make a note to this—that is nonrefundable. You know why? That is the qualifying.

Question, if you guys went out right now and you have to buy property, you to go get a loan and then you have to put money down, yes or no?

Participants: Yes.

James Harris: After you put the money down with the bank, can you go back and get it back?

Participants: No.

James Harris: No. So this is nonrefundable. Write it down. But, we are going to take the \$15,000.00 off the \$440,000.00 when you go to buy. So we actually are going to have some passion, care about people, I will credit that. Is this completely fair? Talk to me kids.

Participants: Fair.

James Harris: Completely fair, right? Okay, now we got to do the term. You are going to have a two-year lease with an option of what?

Participants: Buy.

James Harris: Buy. "James, why are we doing a two-year over here, we get a three-year with the seller?" Again, you are asking the right questions. Let us cover that.

We want something in real estate called coverage. Everybody say coverage,

Participants: Coverage.

James Harris: Okay, here is what that means. If you cannot clean up your credit, a get the loan within two years to buy this, I have an extra year with the seller on paper.

00:30:04

So, I will extend you that year, renegotiate for another year and I want another 15 grand down and I will give you another year to see if you can buy the home.

The second option is this. If you cannot clean up your credit and buy the home within two years, I have an extra year. I will

go on my data base because I run my ads everyday and every week, I will put it on another lease option buyer, I will get another \$15,000.00 down.

Third option is this and this is the one I love because of the way the markets are right now. If you cannot clean up your credit and get your loan within two years, I have an option with the seller to what? Buy, I will just exercise my option, had my broker go get me a buyer, sell it, and in two years when the market turns, this property will sell for over \$500,000.00 and I will make over a \$100,000.00 on the property that I use no money down, no credit, and I do not have to get a loan for it.

Is this making sense for you? Say yes.

Participants: Yes.

James Harris: So with the options, everybody say options.

Participants: Options.

James Harris: You get rich. It is real simple kids. Okay, all right. Now here we go. And now you are getting it. Here we go \$440,000.00, how much down?—\$15,000.00. What is your term?

Participants: Two years.

James Harris: What are your payments to me?

Participants: \$2200.00.

James Harris: I did not give them to you yet, write it down. \$2200.00, oh no, write down \$2000.00. Let us do that, \$2000.00, all right. So we got the \$440,000.00, 15 grand down, two-year and then in \$2000.00 a month. We are going to take all of these, watch! Assigned over to you, you are going to have a copy, they are going to have a copy, they are going to have a copy. You guys are going to move in. You pay me, I pay you, money transfers every month, I never talk to you or you, were done with this deal. What do you want to do next?

Tony: You can go.

James Harris: Yes. Tony has got it and everybody say, "Do another one!"

Participants: Do another one!

James Harris: Why not!—because you probably not going to sleep tonight when I show you how much money you are going to make. Write this down. Now, there is a couple of different profits with this thing, okay? So we got, number one, write this down.

Number one, we are going to make some money upfront. Now, you are not going to get this right away but try. Here we go. Now, how much did we buy this property on paper from the seller?—\$400,000.00 right? How much down? Zero. What did you buy this from me for on paper?

Participants: \$440,000.00.

James Harris: \$440,000.00—that was the last deal. I know sometimes it gets confusing. \$440,000.00, how much down?

Participants: \$15,000.00

James Harris: \$15,000.00, watch! That was non—what?

Male 2: —refundable.

James Harris: You just made \$15,000.00 in the next two weeks in the month of March if you sit through my orientation. You go find your first lease option deal when?

Male 3: Today.

James Harris: You just made 15 grand upfront. That is your money. That is cash. You can do whatever you want with it. "Great James, I would love to make \$15,000.00 every month!" Guys, is that exciting? Yes or no?

Participants: Yes.

James Harris: Hold on, wait. You guys are getting excited about that? Let me explain myself, oh yes! I mean, you are starting to get it, watch! Hold on. My mentor, when I was starting out as a kid, I said, "Alex, I cannot do real estate unless you show me how to make some money when?" Otherwise, I got to go get a job. He said, "Let me show you a couple of things you are going to help me doing and I will show you how to make some money every month." So this is what he taught me how to do.

So let me ask you guys a question? That is why I would take this as the most serious day of your life, okay? You are in the room with the best in the world. This is Trump. He is a billionaire. He has made all of his money from real estate. Me too! I am not attacking, I am hugging. Watch! Okay, if you were here right now and you want to go to buy a property or piece of real estate? You tell me, I do not know, right or wrong?—would you have to go to the bank and get a loan and would you have to put money down? Talk to me!

Participants: Yes.

James Harris: Idiots do that. Okay, do not do that. I had already showed you how to get, listen, paid the day you do a real estate deal

not pay somebody the day you do a real estate deal. Is that a little bit more smarter? Talk to me!

Participants: Yes.

James Harris: So you just made 15 grand. Say yahoo!

Participants: Yahoo!

James Harris: Second profit center, write it down. It is going to be the difference in the monthly payments. I am paying you \$1500.00, you pay me how much?

Participants: \$2000.00

James Harris: How much a month?

Participants: \$500.00

James Harris: You got it, times how many months?—24, so we got 24 times \$500.00. I am even able to ask for the math with the third grade but it is \$12,000.00, write it down. So you are going to make \$12,000.00. Is that pretty good? Oh, come on guys!

Participants: Yes.

James Harris: No way, hold on. Watch! Do you realize that is all your money every month, all \$500.00? You know why? In the contract you are covering the maintenance and the repair cost. You know why? You are a buyer, you are not a tenant. So you are going to buy it one day. So, if you have any problems, you have to take care of it. In other words if the toilet gets clogged, if the pipes break, if something happen—you have to fix that, not me, not them. You are the buyer. Are you with me? Say yes!

00:35:14

Participants: Yes!

James Harris: Also, if you upgrade the house, you put nice stainless steel, appliances in it, fix up that wallpaper, the carpeting, put the pull-up bath, whatever. You know what I mean? If the value of the property goes where?—up, that is your equity, not mine, not theirs, that is yours. Is this making sense?

Participants: Yes.

James Harris: That is why they are going to beg you to buy to buy the home. That is how you get buyers. Is this making sense? Please say yes.

Participants: Yes.

James Harris: So we are going to help them get a home and we are going to help them. We are just charging a fee. That monthly fee is how much?—\$500.00. So you are going to make another 12 grand, write it down.

Third profit is this. This is going to be the backend money. Now watch! What is going to happen is this. All heck, I have got a small group, how about this? You want me to give you the three ways to sell properties really quickly and make a trunk of money guys? Hello!

Participants: Yes!

James Harris: All right, number one, write it down. Number one, you have to help people clean up their credit. So write down number one, clean up their credit. The second thing you are going to help your buyers do is get what is called the most easiest simplistic mortgage in the country to get today and it is back by the government. It is called an FHA kids. Write that down, FHA loan. Because George Bush on October 1, 2008, did you know he signed the brand new bill with the FHA? He completely opened up the FHA program. Watch! In the State of California you know what you can do? You can help people get an FHA loan as a first time home buyer on up to a \$625,000.00 property now. Say wow!

Participants: Wow!

James Harris: And they can be making a 125 grand a year or less. So it is not for just low-income people anymore. They have really opened i up. Is that exciting? Give me a big yahoo!

Participants: Yahoo!

James Harris: Oh yes, so that is how we get in the home. Now, watch! The third step is this we have to help them cover some closing cost. So write that down, closing cost. So here we go. If we can help the buyer clean-up their what?

Participants: Credit.

James Harris: Get what kind of loan?

Participants: FHA.

James Harris: It covers some closing what?

Participants: Cost.

James Harris: Watch them buy this home within the first year. But they have how long to buy it? Two years and I will show you how to get them done within the first six to 12-month. But let us say, it takes them all two years to clean up their credit and gets a

loan. You are going to get a ring-a-ling-a-ding one day. And your buyer is going to call you and say, "Hey, we cleaned up our credit, we got our FHA loan. We are ready to close!" We are going to say—

Participants: All right!

James Harris: You guys are horrible! This is bad. Guys, this is bad. I thought we had a good group. Everybody say fine.

Participants: Fine!

James Harris: No problem.

Participants: No problem.

James Harris: My attorney will call you and he will be over to close. But if you listen to me, look up here, look in my eyes. You do not even have to go to the closing. I will show you how to stay home in your boxers, bathrobe, flip flops, whatever you wear and you will stay home and they will close. Now, I have already given you the answers. I am your what?

Participants: Mentor.

James Harris: Watch! You got to tell me. How much are you buying this for, how much are they buying it for?

Participants: \$440,000.00.

James Harris: \$440,000.00. How much did you give me down?

Participants: \$15,000.00

James Harris: \$15,000.00, so what do you close with?

Participants: \$425,000.00

James Harris: \$425,000.00, write it down so you do not forget because you are going to go find your first deal today for me, okay? And the next week and class, I will call if I get a deal going for you. I will help you get it done. Is that all right?

Participants: Yes.

James Harris: Oh, you guys completely missed that one. Oh! You missed that one! Now, you guys go find that first deal today. You bring it to class next week and if I call and I get it going, I will help you get it done. Is that exciting?

Participants: Yes.



James Harris: So watch, \$425,000.00, we are going to credit back that \$15,000.00. Now, the other thing is this, what is going to happen is when you close with the \$425,000.00 this is called a double escrow closing, write it down. At 5:00 that night, the seller where we bought it for on paper for how much?

Participants: \$400,000.00.

James Harris: \$400,000.00, Oh by the way, did we give him exactly what it was worth?—Talk to me.

Participants: Yes.

James Harris: Yes. Everybody say yes! What was it worth?

Participants: \$400,000.00.

James Harris: \$400,000.00, are you guys in the same room? And we are going to make the difference on. I know it is new information. We are going to make the difference between the \$400,000.00 and the \$425,000.00 on the backend when it go to close which is how much? \$25,000.00, put that under the \$15,000.00 and the \$12,000.00 and let us add it all up. You made a 15 grand upfront, the \$12,000.00 over a period of 24 months with the \$500.00, between the \$1500.00 and \$2000.00 and then you will make the backend money of the \$25,000.00 which is \$52,000.00 kids, you just made on a property. You have not used any money and you did have your credit check. You do not need a real estate license to do this because you will be an investor and we did not get one loan. Everybody say yes.

00:40:10

Participants: Yes.

James Harris: Yes, big deal James. I do not need an extra 52 grand this year. Folks would that help you? Yes or no?

Participants: Yes.

James Harris: Yes, that is why you take this as the most serious day in your life because we are the best. I am not bragging. That is why he picked me. Okay, kind of cool? Oh, come on talk to me.

Participants: Yes.

James Harris: How about this? You do not want to get it set up like that? How about next week I will teach you my—write this down, it is called the Six-Figure Option System. Six-Figure Option System, you plug it into your computer and what it does is it shows you how to do this step by step. It shows you how to do one lease option deal a month for the next 24 months, buy and sell over \$2 million worth of real estate. While everybody else



sits around here and it is all negative and think there is no buyers and sellers. Can you buy and sell over \$2 million worth of real estate and you put close to \$890,000.00 in the bank because I have it documented right in there because I have been doing it over and over and over again for 21 years. Would that help you in retirement? Please say yes!

Participants: Yes.

James Harris: I would show up to the class and you are hangout with me for three days. Okay, you want to learn how to make more money because I am pretty much done. Oh, that set it up! Hold on, let us set that up. I said I was going to get you up to how much?—\$25,000.00 to \$55,000.00 in next 90 days or less. You got the \$25,000.00 on the assignment if you just get out there and you get off your butts and do it and then you got the \$52,000.00 on the lease option. That is 77 grand. I have superseded what you have asked for. And you even did not ask for it, I gave it to you. Would that be okay?

Participants: Yes.

James Harris: All right. I will give you one more strategy because you guys are kind and nice. You want one more?—because some of you are kind and then some of you (Inaudible). Okay, write this one down. Owner/Seller financing, see this right here? Number three, yes, Owner/Seller Financing, write that one down. All right and here we go. We will use the same number that you guys got the house. Let me ask you this. This is a perfect scenario for this. Are there people around Riverside County who own a property free and clear? There is no loan on it. In other words, they have worked hard for 20 to 25 years, they do not have a mortgage payment on it anymore and they just owned it?

Participants: Yes.

James Harris: Is there a lot of them?

Participants: Yes.

James Harris: Yes there are, there is tons of them guys, thousands. Now watch! Boatload—exactly! Now watch! Ask that we can do this with somebody who is going into what?—Foreclosure, and they need their mortgage payment covered. Is everybody with me? Say yes!

Participants: Yes.

James Harris: Dozens of types of properties I am going to teach you in the back to go find to do your Owner/Seller Financing deal. Well let me give you a couple of reasons why people will do Owner

Financing. In other words, hold the loan and we will just pay that.

Okay, the first strategy is this, I will call them up and I am going to show you exactly how to do this and I am going to say, "Hey Charlie, do you really want a tenant?" And they are going to say, "No. Tenants suck! They wreck the joint, they do not pay the rent on time and at the end of the term when they move out, I got to put thousands of dollars into the place and I have been renting this place out for 10 years. I do not really want a tenant." I would say this, "Well how about you let me buy it? And you hold the note and I will just pay you off every month and I am going to keep the place clean and put money into like someone—I want to buy, I am not a tenant, I am a buyer."

Okay, where are you going with this James? Well, the other reason is this. "Charlie, if you sell that house for the \$400,000.00 right, what are you going to do with the money right now? You are going to put it in the stock market?" Would you guys?

Participants: No.

James Harris: No, some of you have lost half of your retirement money in the past five months in the stock market. That is why you are here. I know. I talked to you guys all the time. You know I was just doing the advance training in New York. I just got off the plane this morning. Do you know I had a couple there that had \$1.2 million in their 401ks and IRAs and now it is down to \$440,000.00. Yes, and they are coming to the class saying, "James could we make this back in real estate?" And I showed them how. Because I know a lot of you were here because of that right?

Participants: Yes.

James Harris: I know, I know. Believe me. Let me ask you a question about that, did your mutual fund managers or the managers who run your 401ks and IRAs and mutual funds, did they call you a couple of months ago and say, "I got a feeling these things going down, you should pullout!" Did they do that?

Participants: No!

James Harris: Because they would only give us crap. It is not funny. It is not funny guys. How could you let that happened? I understand why people would do that. I know, I hate losing money, do you not? Please say yes.

Participants: Yes.

James Harris: I do not want to loose any money. You guys worked too hard for your money. We are going to get it back in real estate because that is the only bullish story this year. It is not going to be the stock market. So Charlie will say, "No James, I am going to take the 400 grand when I sell it. I am going down to Union Bank of California, or Wells Fargo, or Washington Mutual. I am going to stick it in my money market account just to get 2% annually."

"Charlie that stinks! Why would you do that? How about you hold the property, I will pay you and I will give you 10% interest on your money. I will put it in the nice monthly retirement check I pay you every month. Is 10% better?"

00:45:01

Participants: Yes.

James Harris: No, it is phenomenal. Everybody say phenomenal.

Participants: Phenomenal.

James Harris: And they usually say, "James that makes sense, okay. What else?" "All right Charlie, if you sell the house for \$400,000.00 right," let me ask you this, did he have to pay capital gains taxes on the profit, the difference between what you bought it for, what you sold it for, that spread, is he?" Hello!

Participants: Yes.

James Harris: Yes guys, it is called 30% capital gains taxes. So, then he say, "Well, I do not want to do that." I know it is a down market. "Hold the house, I will pay you and let us see if we can work this out." And usually they like that and they are very comfortable and they say, "Well, how do we get this done?"

So let us do this. Now on this one, we are going to ask for a little of a deal. So we are going to ask for a little of a discount at about 4% or 5%. Now they are going to hold this. We are not getting a loan. They do not have a loan. Does everybody understand this?

Participants: Yes.

James Harris: We are going to pay them. They are the bank. \$385,000.00, I am not going to give you what it is worth but I am going to give you close to \$385,000.00. Now, because they are going to hold the loan and we are going to pay them every month. You will probably going to want a little money down. So let us say we give them a 100 bucks down. Oh wait, let us not do that. Let me use a higher number so you believe. \$5000.00 down, write that down.

"James, where are we going to get the 5 grand?" Okay, let us talk about that all right? Well, remember the deal before that where we have the lease option buyer and they give us \$15 grand down? Remember that was non—what?

Participants: Refundable!

James Harris: We are going to pull the 5 grand right out of there. That is the true essence of what you have been reading about and hearing about all these years since you thought about getting in the real estate 20 or 30 years ago and that is called using OPM which is what? Other people's money, so I will put the 5 grand down there. Makes sense? Hello!

Participants: Yes.

James Harris: Or how about if you do not want to respond to that? Okay, so we will not use that money. You go shopping with that money, whatever you want you do. I will take the 5 grand off the credit card and I will put it down over here so I can secure this deal. Would that be smart?

Participants: Yes.

James Harris: Oh, you guys did not like that one, did you? Stop, let us talk about this. I am about to change your whole world guys. Watch! I will take your—let us have a contest, watch! You guys want to have a little fun?

Participants: Sure.

James Harris: All right, the rest of you just say yes.

Participants: Yes.

James Harris: All right watch! Get out a piece of paper. We are going to have a contest real quick. Whoever gets the right answer, Suzie has got a Trump shirt for you in the back, okay? Here we go. Watch! I want you to write down the last 10 things you guys bought with your credit card money that you actually made a boatload of money on, go!

[Laughs]

Watch! It is not funny. It is disgusting if you do not learn how to use this. Listen to me. Would it be fair to say most people take (Inaudible) for their credit cards? And would it be fair to say, "Most people use it for junk stuff, crap that goes wear in value." I am going to show you how to get rich with this. Are you with me? Please say yes!

Participants: Yes.

James Harris: I will take \$5000.00 off your credit card and if I will make a nice return on it, I will pay you four times the amount. So if we are going to bought 5 grand off this, if I do not make a nice return I will give you \$20,000.00. This is completely fair. Talk to me kids.

Participants: Yes.

James Harris: Watch! You will get it. So I am going to take the 5 grand up here from your card and I will put it down over here because we are going to make money on this. Watch! \$385,000.00, 5 grand down, now we got to do the term. That is just creative, open up your mind. Watch! You are going to be the bank, so we are going to do a 20-year term at 10% on that \$385,000.00. That calculates out to a \$1700.00. Let us write all these down. \$385,000.00, 5 grand down, 20-year term, how much interest?—10% on the money, is that pretty good? Please say yes!

Participants: Yes.

James Harris: And then \$1700.00 a month. We are going to sign a contract with this seller and what we are going to do is we are going to put it on our name, right?

Participants: Wrong.

James Harris: Wrong, what are we putting it into?

Participants: LLC.

James Harris: LLC. We are going to give ourselves 60 days to close. Now we are going to find a buyer when?—right now. Here is the ad, "Owner/Seller Financing. No banks, no credit checks, no background checks, low down, low monthly payments, low qualifying. Do not go to the banks. They want 30% down. Buy your house, be a home owner for 5% down. Hurry, it would not last!"

Do you think we will get a couple of phone calls from people who want to own a home? Yes, you are going to get thousands, so you better be prepared. You are going to be the buyer. We are going to raise the price by 10% again because we are at down market to \$440,000.00. So write your price down, I am keeping the numbers the same so you guys understand it.

Now we are going to ask for a little bit more money down because with Seller Financing guys. We only want to talk to people who are pre-qualified. Write that down, pre-qualified or pre-approved. But the thing is that the pre-approved for the money, we can sell the house when?

00:50:14

Participants: Now.

James Harris: But if they are pre-qualified, we are going to give them a 12-month term, write this down, 12-month term and we are going to charge you \$2200.00 also a month, so we make that monthly fee. So let us go over the numbers one more time.

The buyers are buying this pretty much for how much class? \$440,000.00, how much down?—\$20,000.00. We will credit that back off the \$440,000.00 when they go to close, so you only owe us \$420,000.00. It is nonrefundable, your own money. Everybody say my money.

Participants: My money.

James Harris: And then we are going to do—oh yes, 12 months, short term loan, \$2200.00 a month. Now watch this, here is why. Because some of you are going, "Wait a second James, you got 20 years and we are here in 12 months?" Here is why?

You are the bank, so most banks want a 30-year term. Well, I can do a 30-year. We are not going to go for that. I always ask for 20. Sometimes we do 15 or 10. I do not care because I will be here, we are going to do the short term 12-month term with you and if you are pre-qualified usually you just need a couple of months to get the loan to go through, move out of your house, things like this. Is this making sense? Please say yes.

Participants: Yes.

James Harris: There you go. So we are going to take this contract. We are going to assign it, everybody say assign.

Participants: Assign.

James Harris: That is why you need that "In/Or Assigns" over to you. You are going to move in. You pay me, I pay you, money transfers every month, we are done with this deal. I never talk to you or you. What do you want to do next? Everybody say, do another one!

Participants: Do another one.

James Harris: I do another one. You might not even have to go to a short sale after this one. So here we go. Here is your profits on this, write them down. The first profit is going to be the upfront money. Now, I am not giving you anymore answers. I am your what?

Participants: Mentor.



James Harris: I have already given them to you. Here we go. How much money did I give you down to get into this deal?—\$5000.00, of the what?—credit card, your credit card, watch! How much did you buyers give me down to qualify to buy the home, you just made another \$15,000.00—somebody say something.

Participants: Yehey!

James Harris: Oh yes, big deal right?—because you made another 15 grand. Now hold on, you do not want to use your credit card for the 5 grand down. Would you like to use it now?—talk to me.

Participants: Yes.

James Harris: So watch! When I am done with you, you are not going to use this for anything anymore unless you have the cash, unless you are putting it into something that you are making a boatload of money on. I do not want you to use your credit card money anymore for a bag of potato chips unless every chip in the bag is pulling in 20% returns.

Is everybody with me? Please say yes.

Participants: Yes.

James Harris: I am going to teach you how to get rich with your lines of credit because nobody did that when you were a kid. Did you all agree? Please say yes.

Participants: Yes.

James Harris: Okay good, so you got 15 grand. That is your first profit. Second, profit is the difference in the monthly payments. I am paying you \$1700.00, you pay me \$2200.00, ladies and gentlemen, that is another \$500.00 a month times only 12 months, you did not get rich there. That is only \$6000.00. So write that under the \$15,000.00 and we are already have how much on this deal?—21 grand.

The third profit is going to be the difference between what we bought it for, what we sold it for. Now let me walk you through this because you are not going to get it. No, you got to give me the answer. What do we buy this for?

Participants: (Inaudible)

James Harris: \$385,000.00, how much down?

Participants: \$5000.00

James Harris: I owe you \$380,000.00 at the closing. You guys bought it for \$440,000.00, how much down?—\$20,000.00, you only owe

\$420,000.00. So what is going to happen is when they get their loan, you are going to stay at home and you are going to send over your attorney, I will show you how to get a good attorney today. They are going to go over and close. You are going to stay at home, you know, you do not even have to go to the closing.

In the beginning you will because you will be greedy and you want your money but you can stay at home. You are going to buy it for \$420,000.00, \$380,000.00, we got the backend money of \$40,000.00. You just stay at home. They will FedEx you a check. You will answer the door. You will see the big white truck. The Fedex guy will give you the envelope. You will rip it open. Pull out your check for 40 grand paid out to your LL what?

Participants: C!

James Harris: Let us add all up. You made the 15 grand upfront, \$6000.00 over 12 months and then you made the backend money of \$40,000.00—that is \$61,000.00 on a property that we hardly use any money to put down. We took it from the bank which is OPM which stands for what?

Participants: Other people's money.

James Harris: We did not have our credit check and we did not get one loan. Would you agree?

Participants: (Inaudible)

James Harris: Would that help you?

Participants: Yes.

00:54:57

James Harris: Here you go. So now, let us add all it up because now I am done. We got the \$25,000.00 you will make over the next 90 days if you do the assignment and if you are not lazy you will. You got the \$52,000.00 that you can make this year on the lease option deal and you got the \$61,000.00 on the Owner/Seller Financing deal. So if you add all that up I got you up to \$138,000.00 this year.

So ladies and gentlemen, if you do not have a plan right now to make at least that much money I would hang out with me in the back on my orientation because I am going to show you exactly how to find your first deals when?

Participants: Right now.



James Harris: Is that cool? There you go. When I tell you the markets are screaming for these strategies right now guys. Listen to me, you tell me, sellers can't sell their homes because they cannot find any buyers. Buyers cannot buy because the realtors and the mortgage bankers and brokers do not give a crap, they cannot hold them and get a loan because their credit stinks. Are you with me? Say yes.

Participants: Yes.

James Harris: Here is your opportunity to take a couple of creative strategies that a billionaire hired a young kid to do because he figured it out when he was a kid at 19 because he had a mentor that is all. And you take a couple of strategies, you go out and you get rich over the next 24 to 36 months. It is as simple as that. Would that be okay? Say yahoo.

Participants: Yahoo.

James Harris: There you go. Now you want me to show you how to make some more money?

Participants: Great!

James Harris: You could just say yes guys.

Participants: Yes.

James Harris: All right good, watch! Is that a nice home? Come on, 8000 square feet, is that nice?

Participants: Yes.

James Harris: Okay. Does anybody ever heard of any builders in California having some problem? Hello.

Participants: Yes.

James Harris: Yes, it is called My Builder Bailout Option right it down. I created this strategy last year. Why, because I helped builders get out of their homes and I will show you how to make money with that. Here we go. Now you got to keep an open mind on this one. I am going to spend five minutes on it that is all. You are not going to understand it at first. But watch what we can do out here.

This is a brand new home, brand new, beautiful right? Three levels, it has got a basement which we call a terrace, all marbles, bars, it has got a marble kitchen. It has got a master bedroom with a kitchen in it. It has got a 900 square foot closet for your shoes—beautiful, right? Saltwater pool, three-car garage and in a gated community, beautiful, it is a builder's home. He built it for himself. Everybody say beautiful.

Participants: Beautiful.

James Harris: Hey, that is a beautiful home guys, okay. But what happens was this, I got a call from my friend, Eric, who is my broker and he said, "Jimmy I got a friend of mine. He is a builder. And his name is Bryan. He has got a couple of houses. He needs to get out of the mortgage payments with the bank." I said, "Why are you calling me, I am not interested." He goes, "Well, could you help to manage a good friend and I know you are very creative." I said, "Okay, well, I will give him an hour. This is on a Saturday where everybody was watching football."

Now, I went over to the house and we walked through and we kind of sat right here inside this dining area and Bryan says to me, "Well James, what do you think?" I said, "Well, it is too small, I am not interested. What do you want to do?" He goes, "Well Eric said, you might be interested in helping me out, let me show you something. Here is what I owe on the construction loan and I have been coming out of pocket to pay the construction loan back every month and I can not do it anymore." Does everybody understand this? So he is stuck, he cannot pay the payments anymore.

He goes, "I got an appraisal on it when we first finished it at the \$850,000.00 but then in November it went down to \$800,000.00 and I am looking for an offer." I said, "How about \$650,000.00?" See, the first mistake was that he showed me exactly what he owed to the bank. Is everybody with me? Please say yes.

Participants: Yes.

James Harris: So I want you to write something down. In real estate, I am going to show you how to find only this, watch! Highly desperate motivated what?

Participants: (Inaudible)

James Harris: Sellers. That is all we are going to look for. And this guy was desperate. I said, "How about \$650,000.00?" He said, "I can deal with that." He goes, "But I need this payment covered every month, \$4700.00 that is including the taxes on the construction loan." I said, "I do not have a problem with that." I said, "But I am not giving you any money down and I want 36 months. You got to hold that loan. I will cover the monthly payment." He said, "I cannot do that." I said, "Goodbye."

He said, "Hold on, I will do 12." See, he was desperate. He needed to be creative with me. I said, "Goodbye." He said, "Well, what are we going to do, meet in the middle?" I said, "If we meet in the middle and give me 24, I might be able to do this. But I am not giving you any money down." He said,

"Okay." See guys, the money down, he cannot do anything with it since it is an escrow. Does everybody understand this? Please say yes.

Participants: Yes.

James Harris: This is the key to the deal. He needed this covered every month. Now, I knew I was going to make money on this. So I said, "I will give you \$10,000.00 down just to secure the deal,"—ladies and gentlemen, 1.5% down on a brand new beautiful home, is that pretty good?

Participants: Great!

James Harris: No, phenomenal. Everybody say phenomenal.

Participants: Phenomenal.

James Harris: He said, "Okay fine." Now I did not take it out of my pocket. I wrote a check off one of my lines of credit with Bank of America. I use their money. I told you I am going to show you how to use your credit card money to get what?

Participants: Rich.

James Harris: Everybody say rich.

Participants: Rich.

01:00:00

James Harris: It is okay guys you will get rich one day. It is okay to say it. Now, what we do as I said if we can sign this today you have got a deal. He goes done, he wills ay, "Thank you so much James." So cut him the check, I said "My wife is going to come over for this paper work with you tomorrow. I am going to play with my kids," right? Then next day I get a phone call. I am not saying that this is going to happen to you, this is rare. I am just giving you a story. It happened, because I am in a game. My broker, Eric calls me again, he goes, "I got a couple James that came over and looked at the property this morning and I know you just signed someone that would buy it, but they want the home, the wives marry to it. They have been looking out for months and they finally got pre-?"

Participants: Qualified.

James Harris: Qualified for the money, they are not approved yet. I said, "Fine, well what do you want to do?" He goes, "They are offering \$720,000.00." I said, "Tell them to take it, I do not want it, but I need some money down to see if you they are serious. If they can give me 5% down of the \$720,000.00 that is \$36,000.00 and they can cover \$5200.00 a month. I will

give them a 12-month, owner finance deal 90-day move out contingency clause," which means if they cannot get their loan within 12 months, 90 days they have got a move where? Out, so I can put it another buyer, because I have how many months with the builder?

Participants: 24

James Harris: 24, is this creative? Hello

Participants: Yes.

James Harris: Watch. It is all on paper, it is just on paper, watch. Okay, has no (Inaudible) said anything yet, but what happened was she told her husband that if he did not do it just what Eric told me, she was going to divorce him, so the deal was done. And all things were done within about 60 days or less, guys. So here is what happens this is back in February. Watch what would happen if you hang up with us. Now, the first money we made up front was the \$26,000.00. I gave them 10 grand down and it was just sitting in an account, they gave me \$36,000.00 down. That was non-refundable, but I took it off to \$720,000.00 when we close, so everybody with me? Please say yes.

Participants: Yes.

James Harris: That is an extra 26 grand guys, right upfront. You know most people do not make that in a year. The other money I was going to make was only 6 grand that is the \$500.00 between the \$4700.00 and the \$5200.00 and the guy had a really good executive job down at Atlanta. So, I made the 6 grand times 4, 500 x 12 months and the back end money, which were you make the money and that is the \$720,000.00 when they went to close and I have them on paper for \$650,000.00. Let me ask you guys a question. It is up to you if you could get that on paper for \$650,000.00 and somebody came and said we will do it for \$720,000.00, even though it is worth \$800,000.00 would you have let it go?

Participants: No.

James Harris: No, why not? Look how much money you would have made within 60 days. So there you go. Okay. Does this solve guys, yes or no? It is called my builder bailout option. You have thousands of properties out there, I will show you how to find all the builders and we will put them together. Here is why? Look at your area right now, look at all the numbers, look at all the pre-foreclosures, sheriff's sales, foreclosures, bankruptcies, FSBOs. What is a FSBO? For Sale by Owner. We are going to show you how to make more money, really fast. Just say yes guys.

Participant: Yes!

James Harris: It is endless, [Laughs] write down FSBO. That is for sale by owner. Two types of for sale by owners, the greedy and the needy. The greedy for sale by owners are trying to sale their house on their own, because they want exactly what it is worth. They are being greedy, it is going to sit. Now, the needy people are selling their houses on their own, because they need to sell it when? Now, they might be going on into what? Foreclosure, I will show you how to make an offer on all of them. Why? I will show you how to get them out of foreclosure, we will just assign it to somebody else, remember that? Please say yes. And I am going to also show you how to pay him exactly what it is worth. And which kind of market? Down, and I will show you how to do it at longer term, because I did that with the lease option and the owner-seller financing. Is this exciting? Please say yes.

Participants: Yes.

James Harris: So we will get on a bus. I will find a hundred for sale by owners, we will make an offer on all of them and I usually get about 12- 15 that we make money on. So, hang out with me for three days. Now, country wide home loans is going to do a billion dollar in short sales and somebody brought that up a little earlier. Does anybody ever heard of a short sale? Okay, now let me show you why these are great right now. How many people in this room are currently making money doing short sale? Three of us, me and the guys at the back, okay that is why you want to do them, there is no competition. Everybody say no competition.

Participants: No competition.

James Harris: Nobody knows how to do them. So let me show you how to do them, right there on short sale. George, everybody say "Hi, George!"

Participant: Hi George!

James Harris: George has a house, it is worth \$400,000.00, but he goes \$410,000.00 on the mortgage, which means he is completely what in the home? Upside down, you know they called it on the news under water, he is not under water, he is above ground. I do not get that. He is upside down in the mortgage! Now, most investors walk away and say, "George, I cannot help you, there is no equity, you owe more than what is worth." By the way, you tell me right or wrong, is there a lot of these going on in Riverside County? Everywhere, everybody say everywhere.

Participants: Everywhere.

James Harris: Let me show you what we can do. If I get in touch with his loss and mitigation, have you guys ever heard of Countrywide Home Loans?

Participants: (Inaudible)

01:05:05

James Harris: Have you ever heard of IndyMac Bank, Washington Mutual? All over the place, right? Watch. I will get in touch with the Loss and Mitigation Department and I will say, "Hey! If we can get this shorted from 4:10 to 3:10, I can get the mortgage off your books, Countrywide, so you can write it off and get more money from Fannie Mae and Freddie Mac. Let me explain this. The reason that banks are going out of business guys, is because they can get their mortgages paid off. And they do not want to take them. Do banks want to take them back? No! In fact they can not anymore, it is bad, they cannot take anymore back.

Now, if they can get them off their books, they can borrow more money, because for every \$100,000.00 a bank has owed on a mortgage, they can not borrow up to \$800,000.00 or a million dollars from Fannie Man and Freddy Mac. Has anybody ever heard about these two people? So, if they cannot borrow, they cannot lend, if they cannot lend, they shut their doors and that is why we have had thirteen financial institutions already this year, shut their doors. So, they really need your help. All you have got to do is learn how the short their loan with the bank and they are saying, "Please, please help us, we will discount the loan," you know why? That \$100,000.00 they took off from the \$410,000.00 to the \$310,000.00 is federally absurd, they do not loose a dime, it is insured by the government. Is everybody with me? Give it a yes?

Participants: Yes.

James Harris: They do not care; they need to get the loan mortgage off their books. So, if we can get it for \$310,000.00, I am going to bring in it a buyer, but I am not going to sell it to them for \$400,000.00, I will let it go for \$360,000.00. I will give them a discount and you make \$50,000.00 and we do not even have to touch the property. We do not have to put any money down; we are not having our credit check. We are not getting a loan. All we are going to do is help out George get out of what? Foreclosure, help the bank get a bad loan paid off and help a buyer get a good deal. It is called being an investor. Do you like the idea?

Participants: Yes.

James Harris: That is a short—what? Sell, and I will show you how to do a hundred of those this year, you know why? It is the perfect



storm and I am going to back it up, look at all the banks that are selling their houses 70% off. Ladies and gentlemen if you do not take advantage of this, this year, you are an idiot! I did not say that. Donald Trump said that on Larry King Live a couple of weeks ago. He said if people do not get involve in real estate right now, they are idiots. And if they do not come to Trump, they are even bigger idiots. So now I can say that, so do not get mad at me. Some of you just rolled your eyeballs, do not you roll your eyeballs at me. I am your what?

Participants: Mentor.

James Harris: That is my job. You told me, I could do it, yes or no? But if you do not go out, you do not find somebody's opportunities to get 70% off. Ladies and gentlemen, let me just make something crystal clear. You have banks right now like Washington Mutual, IndyMac Bank saying "Take our \$500,000.00 house, give us \$220,000.00 and you can have it." Would you buy it?

Participants: Yes.

James Harris: Yes, because when the market turn, you are rich. Okay, we are going to hold a couple of these. Everybody say hold them.

Participants: Hold them.

James Harris: I am going to show you how. Here are my goals, because I am pretty much done. I want you to get out of debt. I want you to grab a couple of these foreclosure, couple of these bank owned, couple of these short sales. I got many, many strategies guys. 101 ways to make money real estate and I cannot teach you that in three days, but I can give you back \$21,000.00- \$25,000.00. I only gave you a couple here today, because I want you to see where your opportunity is. And over the next couple of years, look over hear, watch. It is not going to happen this year. I want to be realistic about this. But if we can show you how to take advantage of a couple of these properties, okay. And if we can show you over the next couple of years to get all your major bill off, credit cards, mortgage, truck, cart, maybe you put your kids through college. You know what I mean? Then you can just have your basic bills and retirement, it still have a lot of money coming in. Can you live a little less stress free?

Participants: Yes.

James Harris: And a lot of people come up to me after this thing and some of you might and you say, "Jim you got a lot of energy, holy cow! Where do you get the energy? I mean do you keep up that energy for all three days at the advance training?" I do, I have to for your. I just got off the plane from flying for six and a half hours. Guys, I was up last night with students until

midnight. And so people say, "James, what vitamins are you on? Do you go to Jamba Juice and get that weed grass tea stuff? How many Red Bulls? James are you on drugs?" Somebody last night asked me if I was on drugs. I am not on drugs, you know what it is? Look at me, look right into my eyes, I am out of debt, I do not want any debt, I have not had any debt for years. I want you to write this down. There is a book called the "Millionaire Next Door," go pick it up please and read it. Hello? You would never know it, here it is, you will never know it. I live completely below my what? Means, and I am out of debt. Would that be nice guys? Please say yes.

01:10:09

Participants: Yes.

James Harris: So when you are out of debt and you have a lot of money, coming in at the same time, guess what? You are going to be in a better mood, you going to wake up in the morning and you going to have energy, you are going to be in a great mood. You know when I came into the hotel this morning and I walked in right before you guys got here. You know the front desk lady, said "Hi Mr. Harris, you are really in a good mood, what is it?" I am like, "I have no debt."

Participants: [Laughter]

James Harris: That is what I told. No debt, everybody ask "how do you do that?" You know, so that is what we want to do, because you are going to need a million dollars to retire. USA today just came out with an article the first break week of the year and I said this "Americans be warned, if you have a million dollars in the bank right now and you want to stop working and at 65 you want to live 20 more years to 85, and you have that million in the bank. You know what? You are going to spend \$50,000.00 a year from, 65 to 85 just to survive. And at 85 you are broke. That is if you have that right now." Now, I do not know about you, but I am going to ask you this, you tell me, ladies and gentlemen that right there sis not a lot of money anymore, would you agree?

Participants: Yes.

James Harris: It is not, so if you do not have the bank right now liquid cash, you got some work to do, because next weekend, I will even show you if you do have that at 65, do you know I have to pay taxes, it is not going to take 20 years to borrow through that, it is 16 years and 4 months. So we got some work to do. I am not attacking, I am hugging, because at 65 this is what happens to most people, and that is why we take this as the most serious day of your life, listen to me. My mom calls me up last year, February she turns 65 last year, she just turned 66 this year and she is still my best friend. And I really was



raising my mom's since 9 guys; she was addicted to pain killers for 17 years, four times in rehab. Raising my brother, my sister. And she calls me up, she goes, "Jim, I got up my first Social Security check for working 32 years in the hospital," and I am like, "Oh, I have got to go see this." So I go over the house and I look at that check and I wanted to vomit, \$981.73 a month, they are going to give her. I am like, "Mom, what the heck are you going to do with that?" She goes, "Well, I am thinking, I am going to send it to the pastor at New Bethany Church, because they want to put that new wing on." I said, "Are you sure you want to do that?" She goes, "Yes," I said fine. And I helped her seal the envelope. You know why? She does not need the check anymore. 12 years ago, when I got Felis clean, that is my mom she got into real estate with me. And she just does a couple deals now a year. She does not need that check, now I do not know about you and hopefully you check. Did you know you are not going to get your Social Security check after 2014? Social Security Administration is done right out of money guys. And you might want to double check on that, it is not coming.

Now, I do not know what you can do with a thousand dollars a month of retirement anyway, but the bottom line is this, I do not want this to happen to you either. I took my kids, Jake and Max to Mc Donald's right before the holidays. It was right before Christmas and we are going to get those chicken McNugget things, because I will get it for them, once in awhile, because they like them even though I know there are really McChicken. And we went to the drive-thru and we put in the order. And Jake, the 9-year 9old from the back of the truck goes, "Hey Dad! That lady who took our order sounds like she is in my 3<sup>rd</sup> grade class." "I know," I said, "Jason but they do not hire 9-year olds. Let go drive up slowly and see who it is." So when we went up the pay, I usually give the 6-year old Max the money to pay, so he can get the right change and I am teaching him to get the right change and counting and everything. And it is still completely not working, and I went to go pay and I did not give him the money, because it was the hand shaking waiting for my money, and it was right before Christmas and I grabbed her hand and I said, "Ma'am how old are you?" She said, "I am 79 years old," working at Mc Donald's Christmas eve and I took every dollar I had in my pocket and I said, "Here just take this, just take the month off and just have nice holiday, just make sure I get two boy toys. And I lost it, I really did and Jake said, "Dad what is wrong, why did you give that old lady all your money?" I said, "Jake she needs the money son." Somebody set her up, the way I am setting you up.

I congratulate the older folks that are here and I am looking at all of you and you are here, because you need more what? You do not have enough money for retirement that is why you are here, I know. And when I talk about that story that 79-year

old lady that is you, I am taking to you, if you do not change something. Do not get mad at me, you said I could come at you a little bit, okay?

01:15:00

And this is where it starts, because if you do not have a plan, listen to me ladies, if you do not have a plan so you can retire at 65 and never have to work again. I actually had a plan for you, so write it down. Here we go.

In a couple of minutes I am going to invite all of you to go and register for the three-day training for next weekend. We do not need one of you; we would like to invite all of you. Now, here is how this works. Next Sunday, I have a plan, it is called the 5-year retirement plan, write this down and I have been doing this over and over for years and I am going to give you 5 years. You could do it in two, but I am going to give you five. Let me give you one little strategy out of many. Here is the idea; we are going to go out. I am going to show you my orientation, ten ways to find those lease options. Do you remember that lease option strategy? Please say yes.

Participants: Yes.

James Harris: We are going to find ten and then what we are going to do is we are going to pick them up for \$300,000.00 on paper and we are going to have OPM, which is what? Other people's money to pay them off, we are going to let them go for \$400,000.00. Now, we are going to hold them for 2 years, everybody say hold them.

Participants: Hold them.

James Harris: And then ladies and gentlemen in two years do you truly believe that the California real estate value will have started to go back, yes or no?

Participants: Yes.

James Harris: If you do not, you are a fool. We have actually hit a bottom; I will show you the number in a second. So, with two years we are just going to let these go, everybody say "let them go."

Participant: Let them go.

James Harris: For the \$400,000.00, we got them for \$300,000.00, you have a \$100,000.00 in profits times ten properties, you have an extra million for retirement. And I will show you how to do it with little or no money, no credit and without getting one loan. Is that exciting?

Participants: Yes.

James Harris: I showed up for class, because if I can show you how to do one assignment a month, one, is this going to help? Please say yes.

Participants: Yes.

James Harris: Now, the real money I want to show you how to make in real estate is this, I am going to show you how to find the property, it is going to need a lot of work. We are going to get half off, everybody say half off.

Participants: Half off.

James Harris: Only at the top off, we are going to fix it up a little bit and I am going to show you how to borrow the money from a private money investor. And what we are going to do is we are going to fix it up and race the what of the property?

Participant: Value.

James Harris: Who said roof? It is not roof.

Participants: [Laughter]

James Harris: Now, you have the property and we are going to sell it and give somebody else a nice discount and once a year, listen to me just once a year, if I can show you how to do one of those on one deal right around Riverside County is this going to help? Please say yes.

Participants: Yes.

James Harris: I want you to think big, but this is going to kill your wealth, now this is where I really come at you, because that is what a mentor does. If you listen to anybody else in this room, you are an idiot, other than me, Chris and Susie, and we are the experts. If somebody in this room when I am done says "I would not go to Trump University, I would not do real estate," tell him to get lost. This is the only time to buy real estate; Let me explain something. In California, when the markets were peaking in 2005 and 2006, remember real estate values were going through the roof, say yes.

Participants: Yes.

James Harris: and everybody was what? Buying, I was selling now that everybody is trying to sell, you need be what?

Participants: Buying.

James Harris: Yes. If you do not buy now you are a fool, you are a fool. 70% off, half off, common guys, all right. I am not attacking; I am

giving you a big hug. Now listen to me, do not listen to your family and friends either, they are going to try talk you out of this. They are going to say, "Oh, this is the not the right time to buy. I heard on CNN that there are no buyers," what, are you kidding me? Stop listening to that, your family and friends do not know. They were not here today, but they care about you and they love you, so they are going to try and talk you out of this. You know why? They are fearful; you are going to become more successful than them that is what I found out over years. When I got into the real estate, I had people pushing me saying, "Jim go listen to Alex, do what it he says, we need money," so I went out and I just did. You know, was anybody around in this room in the late 80's? Anybody around in the late 80's? We got a bunch of lying dogs, common how many people were around the late 80s? Remember the '87 crash? Please say yes.

Participants: Yes.

James Harris: That is when I get started and somebody said "Jim do not get a real estate, we just had a crashed," I said "Did anybody get hurt?" I did not know what they were talking about. You know what I did? I went and I made money, I just went to work, so I am going to ask you to do the same. So do not listen to your family and friends, you make a decision. Now, that does not mean leave here today and say Mr. Harrison and Mr. Trump said mom I cannot hang around with you anymore. Do not listen to them; you do what you want to do. The news and media, would it be fair to say it so negatively disgusting, we are negative right now guys, yes or no?

Participants: Yes.

James Harris: Horrible or did you just hear there is a news alert this morning on CNN, Riverside County you guys are getting hit with a tsunami hurricane, volcano, and earthquake this weekend. You got to move. That is how bad it is. Everything is fine, everybody say everything is fine.

Participants: Everything is fine.

James Harris: In the investing world right now, the banks are lending, hard money lenders are lending, private money people are lending and there are buyers everywhere. There is certainly sellers everywhere, with you all agree?

01:20:00

They are everywhere. Everything is fine. "James I do not have the money to do this and I do not have the time." We do not care. I do not want excuse makers. De does not want whiners; he does not want moaners and groaners. We are not looking for you, if you are going to give us an excuse, we are

not interested, that is what he told me to say. So, do not get mad at me. We want people who say this, "Jim you are absolutely right, this is making sense show me how to do it. I am ready," that is what we are looking for. We are looking for triple A, high class quality people, is that you?

Too busy being busy at a job, "Jim, I cannot come next weekend," I do not care, go to your job. Let us see what that get you in three years. Ladies and Gentlemen, if you have a job I am going to say congratulations, you can actually keep one. Good for you, you are making money. Say yey. Write this down, I am going to give you a four- hour a week system, four hours a week that is all you need for a deal. Now, let me explain this, we are always going to have five to seven deals on our plate every month that we are working on. And we can make money on all of them, I do not want you to do them all in the beginning, you would not; you would not have the confidence. I want you to do how many?

One, let us get that one done and we will show you the right one to make the most amount of profits in the shortest amount time that is all. So how many deals a month do we want in our plate? Five to seven, we are going to pick that what? One, there you go, and you need how many hours a week? That is it, couple of phone calls, pieces of paper, maybe a fax or two, couple of pictures of the property that is it, not that hard. I did not say it was easy. You have got to learn how to do it first. If you do not have a job, I have your new job titles, write it down, if you have all the time in the world right now to work on this, when I get done with you next weekend, here is your new job title,. When people say what do you do, you going to say, I am a Trumpster."

Participants: [Laughter]

James Harris: "What does that mean?" I am a full time real estate investor and I was taught by Mr. Trump's people. Is that kind of cool? Oh common talk to me guys.

Participants: Yes.

James Harris: Yes it is, we are the best, sorry it is not an ego thing, we are. While everybody else has been going out of business in this country that taught real estate over the past 20 years, we are the only ones left guys, there is really nobody else around. We are the best, there is nobody better, you are in the presence of excellence. Do not blow this one, so if you got a job, great. If you do not have a job, better, I will keep you busy.

Hanging around the wrong crowd, now I am going to come at you on this one, do not get mad. Do you know if I took you some of you right now that I looked at that the people that you were hanging, if I simply, "Get away from those people!" I am

making million this year. Because you are hanging around people who are sucking the life out of you. Can anybody relate? Now, talk to me.

Participants: Yes.

James Harris: If you are hanging around people right now and they are not showing you how to get a better life, you tell them to go get a life. Are you with me? Say yes.

Participants: Yes.

James Harris: You might have to get new friends. I will be your friend. Donald Trump will be your friend. He is a billionaire and I am a multi millionaire. We will show you how to make money. We will go play golf, when we are talking money. I will go to dinner with you, if we are talking about the deal. Are you with me? Say yes.

Participants: Yes.

James Harris: There you go. Lack of proper training and education and guidance. Okay, here I come, do not get mad. You said I could be your what? Watch. Some of you have been coming to seminars for years, you are on our list, we have it.

Participants: [Laughter]

James Harris: Look over here, I am not laughing, it is not funny, you know why? Stop it. Some of you have gone to the seminars in the past, you took really good notes and then you went out and did what? Nothing. Stop it! This is your last real estate seminar you will ever go to, is this crystal clear? Please say yes.

Participants: Yes.

James Harris: When you go home tonight you are going to say this, "Family, I am doing it," and they are going to say, "What are you doing?" "I am going to give you the life that you deserve. I am with Trump, who is giving this real estate stuff; finally I have gone in my last stupid real estate seminar." And they are going to say, "Yes, right!" And you are going to be saying, "No. In fact, next weekend you will see." Does that make sense? Please say yes.

Participant: Yes.

James Harris: Make it the last one, please do not go—you do not have to go to another one. When you are done with us, you are cooked like a nice fillet; you do not have to read another book. You do not have to go to another seminar. That is great news, are you with me? Say yes.



Participants: Yes1

James Harris: You are done. Get the proper training. Fear to get out of your comfort zone, if you have no problems right now, in your life, here is the news you have nothing going on, nothing. Now, what I have been doing with you, what I am still doing it, listen to me, I have been making you comfortable with the fact that you are going to have to be become uncomfortable for a little while, with the fact you are going to have to become comfortable with making a change if you are going to do this, which means this. Next Friday, you are going to get a little uncomfortable and you are going to say, "James, this is a lot of information, how do I—what do..." And then, we are going to go over it again.

01:25:03

And then Saturday night, you are going to go "I am getting this," everybody says "good." And then by Sunday night, you know what we usually do? We get a big picture, because all of you got it, you are comfortable now. That is why we need the three days. Is this making sense? Please say yes.

Participants: Yes.

James Harris: There you go. And some of you right now, you are a little uncomfortable. You just have to learn how to do it. Now, the number one reason people kill their wealth, especially real estate is this—what is this word? We just do not have it yet. Now, I am going to show you something, and I am going to admit something, I am not the smartest person in this room. I do not have a college education; I do not have a PhD. I put my pants on, just before you came in a shower, up there go up in the plane, same way you did this morning. Now, I eventually went and got my MBA, it is called the Massive Bank Account, would you like one?

Participants: Yes.

James Harris: All one of you that enthusiasm is killing me. With you guys like one?

Participants: Yes!

James Harris: Good, so here we go. Once you hang out with me for three days, because I am coming back next weekend and now I am actually going to qualify out this group. Right now, I am actually going to separate the "wanna be's" and the "gonna be's". There is an investment for this, I am very open about it, I told you in the beginning, no shocks or surprises. But I want to put a little value to this. Here we go, if I teach you how to do one assignment this year, just one and you make that \$25,000.00, be honest, would this be worth it, yes or no?

Participants: Yes.

James Harris: If I show you how to do one lease option, you make that \$52,000.00, would this be worth it?

Participants: Yes.

James Harris: How about one owner financing at 61 grand, would this be worth it?

Participants: Yes.

James Harris: The Builder Buyout deal, I am not even going to add, you guys got the picture. Now, let me ask you this, can you take this right here positively under your LL what?

Participants: C.

James Harris: You think we can write this off under training. Everybody go like this.

Participants: Yes.

James Harris: I can advise you on that because I am not a license attorney or a CPA, but next weekend in class we are going to start a company and we will show you how to get this as a tax write off. Ladies and Gentlemen that is why education under Real Estate Company is all expansible, everybody say yey.

Participants: Yey.

James Harris: Worst case scenario, come to class you will learn all this, you go out and you are lazy and you do nothing, you just write it off guys. Here are the dates, write them down. It is next Friday, Saturday and Sunday guys, it is not this weekend. I got a busy schedule, I am going to be here on Wednesday and then I am going down to San Diego to do the three day training down there. And then, after that I go to Vegas and then I will be flying back. I will meet you at the ballroom Friday morning at 8:00 we are going to from 9-6, 9-6 and 9-5 it is three whole days. Now, here is the commitment I need. Now listen up, because I am qualifying out the roof. I only want the serious committed people. On Saturday, if you have a birthday party to go to right now with your kids or grandchildren or some kind of event. You got to cancel it today when you leave. You are going to be with us for three days. On Sunday, if you are getting married, cancel it. You are going to be with us, marry your fiancé the following weekend, come to class, bring them you will have a nicer honeymoon. I am being very serious, but that is the only three days guys.



We will be in Riverside County this year, and a lot of people say "James why Trump U?" This is a pretty good question well you have to be a fool not to learn from this guy. We are the best he has handpick me, handpick Chris, handpick Michael, handpick Susie too and you are going to need them in a couple of minutes. They are you team, we are going to sit in the back and everything slows down and then I get you guys comfortable. And he has handpicked all of us, so you do not really want to go home tonight and watch some infomercial with some Johnny lunch-bucket no name guy and say "Honey, this guy is coming to town next week and he is going to hold a real estate seminar. Never heard of the guy, but let us go meet with him and learn from him," why would you do that? You are in the room with the best; just finally follow up with this one. Make this the last real estate seminar you ever go to. There is a couple of things that we going to learn real quick. So watch out how this works.

A couple of minutes we are going to take a break, the "wanna be's" you are going to go home, because you never do anything. The "gonna be's" you are going to take a seat at the back. I have a proposal for you and then we are going to get registered. Also, we are going to hold an orientation and there are ten strategies and I am going to give you to go out and find the first deals when? Right now. You are going to bring those leads in the class. I will get on the phone live next Saturday in the ballroom. I will call some of your leads. Listen to me if I get something going for you. I will give you special instructions and you have got to go look at the property and you are going to keep in touch with me and I will see if I can help you get it done. No guarantees, you got to seat through the orientation. And then you got to show up but I am pretty good at it. Let me show you what I mean, this is Kara Mackintosh. Everybody say "Hi Kara!"

Participants: Hi Kara!

James Harris: In Baltimore, Maryland, she came to the same seminar and then she went to the retreat.

01:30:02

She said, "James, I got my first deal lease option with a closing." She sat through my orientation, listened, brought the lead in the class, called it, and we got something going. Just to be sure, she has a question, which contract that I am getting the seller to sign. The seller option to purchase real estate on the Trump website, I cannot find it in my manual. And, I am going to give him a lease with that. Everybody say yes.

Participants: Yes.

James Harris: So I said yes we are and then she said, "Okay, I also have not sold to a third party called cash, a gain of \$12,000.00 not bad for first deal of three days at a class. Is that pretty good? No come on talk to me.

Participants: Yes.

James Harris: Hold on. Is \$12,000.00 going to make you rich?

Participants: No.

James Harris: No, would it change your life?

Participants: Yes.

James Harris: Why? What is it going to give you? Confidence. It is going to give you the confidence. Now, for a lot of you right now, 12 grand will change your life. Because you do not have that money right now, but it will give you the confidence, I just wanted to show you a small one, so I could give you something that is realistic. Here is another one, Debbie Nolvack, she is 52 years old, she came to me last year in June and guys look she emails me right before the New Year. "James because of you and the training, I have secured a half a million dollar line of credit and real estate, sold 20 duplexes, 2 lease purchases in Richmond, Virginia, 9 goes on duplexes in Biloxi, Mississippi." She is doing it nationwide, she is fulltime now. She has got all of her LLCs and trust set up. Do not tell me that you cannot do this. I do not care if you are 18 or 88, you came here for a reason, because class you need the make a lot more what? Hello?

Participants: Make more money.

James Harris: You are here to make more money. Good. Here is some bonuses. You going to get a jumpster guy, these are all at no charge. This is going to come with the classy; you get up the speed so you got some homework to do before the class. You are also going to get my all cash offer letter. The real estate breakthrough kit, now this I put together with CEO of this company, Michael Sexton, when you are going to go home and you are going to go through this. You going to listen to a couple of CD's, it is homework to prepare you for the training. We do not mess around. Our job is to help you get you through your first deal when?

Participants: Right now.

James Harris: And then you are going to start looking for it. So you will walk home with this, also the maximum offer worksheet shows you how to run the numbers and make the offers. Then we are going to do the best lease agreement on our lease option. I will actually show you how that works in the back that is

coming from the big man. And then, also you can come to this training for 12 months over and over and over again. Anywhere in the country, we are in California all the time in LA, Orange County, we take this class next weekend. You keep coming back as many times as you want, there is no charge. Is that completely fair?

You can also bring a second person with you, there is no charge. My orientation starts right now when I am done. That is only for the "gonna be's". I will explain that in a second. If you have a wife, you have a son, you have a daughter, you could bring them, there is no charge. Now, if you do have children, look dead up here into my eyes. You come to me in the back and you say, "Jim I got a son and a daughter and I like to bring them with my wife, you talk to me." He is a family man. so am I, I love to teach families. In fact, this weekend in New York we had about seven families there and they all did that at the same time. But I have got to approve it. Is this completely fair? You have to come and talk to me, I will get them there.

You are also going to get our software that pulls up all the properties. Now, we just started doing this a couple of weeks ago listen. We have all the properties in Riverside County. All updated live, daily right on your computer, the foreclosures, the pre-foreclosures, the bankruptcies, the FSBOs, what is a FSBO? For Sale By Owner, right? And we have the tax liens, bankrupts; we got everything, the sheriff's sales. We have them all. Next weekend in class, I am going to show you how to click on one. What does this say right here? Make an offer, and then we are going to pull them up. Here is the property right here that I actually been working on a deal in class in New York, so as you can see this is a Nassau County, Roosevelt in New York that I have not change it for you guys in Riverside, but it was right here.

Look at these kids, it is a \$164,000.00 the equity is \$257,000.00 that is a \$257,000.00 profit, because we can buy this one, we are actually working on it with a student (Inaudible) for a 157% under value. Now, what I am going to show you how to do is this and you are going to get this, we are not going to buy it for \$164,000.00, our offer goes in at 85% of the least price, because they are accepting them like crazy. So if you can get that offer, accept it, and you can turn around and sell this property even within 3-6 months and make a quarter of a million dollars, because everything is at such a low. Ladies and Gentlemen would that be worth it?

Participants: Yes.

James Harris: Oh my gosh! They are everywhere; you probably want to go outside to two or three mile radius of this hotel. Now, if people say "James has the market really hit a bottom?" I do not know

you, tell me this is coming from Realty Track and a National Associations of Realtors.

01:35:00

Now, foreclosure filings, default notices, auction sale notices, and bank repossessions. We reported on these, many properties during January, it is down 10% from December down. Ladies and Gentlemen, do not listen to the news, listen to us. This market is bottoming, it is starting to correct right now, which means if you did not buy a property last year, half off, and get into this real estate business, when we are seeing more opportunity times that ever to buy these things dirt cheap, if you do not do it now, you are a fool. You will lose this year, because next year everything is going to go right back where? Up, and you will have missed the boat.

Now, you are going to register for 12 months, Trump Premium membership, which means all year for the next 12 months, we will invite you to live events, to learn more stuff for free. You are going to get a 1-800 number hotline with the client adviser, starting today, see and get your questions to the answered. Weekly teleseminars and webinars, you got to hang out online and our multi millionaire investor club for one year. So that means you can email and chat with people like me for a year, so I can help you. Is that kind of cool? Give me a break.

Participants: Yes!

James Harris: Also, all the contracts and forms you are going to get, if you were to go out right now and go to a real estate attorney and say, "I am going to Trump University, I need all the real estate contracts and the power forms to do this right." He is going to say, "Fine, just give me a check for \$10,000.00 \$12,000.00, I will get you everything, because it expensive." Donald is going to give you all the contracts and forms. All of the forms I have for this zero down stuff, I am going to hand them out in class and I will walk you through it, show you how to fill them out. So, when I am done with you, you will know how to fill up the contract upside down and backwards. You will be very comfortable with making an offer on any kind of property. Is that completely fair? Talk to me guys.

Participants: Yes.

James Harris: I mean there is no other company that is going to give you any of these stuff. Now, a lot of people say, "James why should we do this?" Let us talk about this. Next Friday, I will send in front of the group Friday morning before we get started, and I will say "Why did you guys come?" You know most people say, "James you hit a nerve with me last weekend and I am sick and tired," and I will say, "Good, what are sick and tired of?" "I am sick and tired of not living in a house like that. I am sick and

tired of watching people who live around Riverside County in California in beautiful homes and I want my dream home." Guess what? Here is your homework, you are going to bring a picture of your dream home next weekend to class and I am going to show you step by step how to get it. I am living proof; you can have any home, multiple homes. I came from nothing, no excuses, so you bring in that dream home, because I think you are worth it. Are you with me? Please say yes.

Participants: Yes.

James Harris: Some people say, "James I have not been on vacation in a year," there is an island called Fiji and I was introduced to this island in 1991 by Mr. Anthony Robins. Have you ever heard of them? I took off, I went with him, he was one of my mentors, okay. Stuff works guys. And now, once a year I try and pick my family here. I want you to write down your next hot vacation spot. You are going to take your family in the next six months and you bring them to the class. I will show you how to get there. I think you need a break don't you? Also, some people say, "James, I want to hang out with my family and go to the nice restaurants." This is a shot of the people I was just with over the weekend. We go to the best restaurants. I take care of them, they are my family too. These guys are my family too and I want you to pick out a nice restaurant, you have not been taking your family in the long time and I am going to show you how to get there. Some people say, "James I want a nice car," now I am sick and tired of driving my old Jalopy, so I like nice cars too. I am not bragging you know. I have earned the right to drive any set of wheels I want. So, your homework is to go to your dealership to get your dream car, you are going to bring me a picture. Next week, I am going to show you exactly how to go in and you going to pay cash. You are not going to get a loan, because I also want to show you how to get your license plate that say, "paid for." would this be okay?

Participants: Yes.

James Harris: Then you are going to buy your wife a car, then you are going to buy your mom a car, then you are just going to have a couple of toys. Ladies and Gentlemen, what I am inviting you to is the life you have ask for, we are the best and I will even show you, yes how to work in your underwear. I was working that day. Listen to me, I am not laughing it is not funny, you ask for it. You came here to do real estate yes or no?

Participants: Yes.

James Harris: Then I will show you how to get rich. Now, you never know who you will meet, this is the big man and I tell you how I get in. This is my beautiful wife. Everybody say "Hi Helena."



Participants: Hi Helena!

James Harris: She did a real estate deal way back in 1997 and then she introduced me to him and that is how I get in finally. I have been trying to get with this guy for 19 years and she did such a good job, I married her, I did not let her get away. Everybody say "Hi guys!"

Participants: Hi guys!

James Harris: That is Jake that is Max. When I was nine, my dad gave up on me and he gave up on my mom and my brother and my sister and I have never forgotten that. I have forgiven them and we still have a relationship, but I told myself if I had a chance to raise a family one day, I was going to give them everything and anything they want, that is exactly what these boys got, anything and everything they want, within reason.

01:40:09

Now, they are already millionaires on paper, let me ask you guys a question I put property in their names every year, both in trust. You think I am going to make these two work for it? Please say yes.

Participants: Yes.

James Harris: They are not going to get anything handed to them, so watch. When you go register for this, if I hear you talk about all the money you are going to make, we are not letting you come; you have to do it for your family. I am going to show you how to assume personal responsibility for giving them the life that they deserve. Are you with me? Please say yes.

Participants: Yes.

James Harris: You have got to do it for your family. Now, here is your guarantee and then we are done. We have three days to think about this which means you can register for class, seat through my orientation, get the freebies, get the home study course, and I am going to show you how to find all these properties. You are going to go out and you are going to do homework. In three days, if you want to cancel. Donald Trump does not need your \$1495.00, he is a billionaire. He wants your story, he wants your testimonial. We are building the University. He is leaving a legacy. So, he is going to give you a guarantee. You come to class next week, you spend the first day with me guys and at the end of that first day, Friday. If you are not happy, if you do not see I care if you do not think we are the best. You are going to go back to Susie; she is going to give you your money back, no questions. I teach you how to do foreclosures on the first day. You will get your money back if you are not

being happy. I will shake your hand and we will still remain friends. Is this completely fair?

Participants: Yes.

James Harris: There you go, so I take a shot on this one. I would not mock this one up. Come on the first day, if you are not happy, guess what? We do not want you there; you will get your money back. Now, are you a "wanna be" or a "gonna be"? Here is what we are going to do. People are still buying and selling real estate everyday out here guys. If somebody is going to buy and sell five or ten pieces of properties this year, right outside (Inaudible) doors. And somebody will make over a hundred extra debt thousand dollars this year. The question is will it be you? So if you are a "wanna be" when I say break, you are going to go home, because you are not going to do anything. You will never do anything. So that means we are not interested. If you are a "gonna be" and you are going to do this, and even you are just thinking about it, you are going to go and grab a seat in the back. I have a proposal for you and then if you like what you hear, I want you to register.

Now, if you want to be like these "gonna bes," these are the people we just left last night in New York, then if you want to be like them, they came into a Trump University mentoring program, there are in our camp, they are winners for life. They committed. I am going to ask you to think about this, there are three groups of people left in this room. People who makes things happen, people who wait the things to happen and people who walked out of here and say, "What the heck happened?" Which group are you in?

Participants: (Inaudible)

James Harris: Oh the enthusiasm is overwhelming guys! I got to tell you. Which group are you in?

Participants: (Inaudible)

James Harris: Okay, if you are going to make it happen, good. All the "gonna bes", here is what you are going to do. Turn around and I want you to introduce you to the team, everybody turn around, I am done. Here is how we do it. Everybody say hi guys!

Participants: Hi guys!

James Harris: Good. We got Chris, I have Michael, and I have Susie. The "gonna be's" yare going to come and sit with me for two minutes I have a proposal. You are serious; you have a question or two. Come sit with us, I am done, come back here. "Wanna bes" you are going to go home. So I am just separating the groups, right now. We are not done; I am still training you, so come on back here. If you got to pee, do that,

come right back. So "wanna bes" you are going to go home, you will never do anything, we are not interested. "gonna bes" come and grab a seat guys, help these people out. You have to grab a seat; I got to talk to you for two minutes. If you are not serious do not stay, if you are serious have a seat. So "wanna bes" you go home, "gonna bes" come and grab a seat. You might have a question, if you are ready to go Steven just start filling out that form, you are good.

Hey listen! You go cross—when they are ready, just go like that.

Female 6: Yes.

James Harris: Okay, so he is ready, guys if you are ready to go, just start filling out your form, okay. Yes, she is good, if they are ready to go and if they start filling this out, just go like that.

Female 6: Exactly.

James Harris: All right, "wanna bes" you go, "gonna bes" stay. Even if you have a question stay. I am just going to talk to you for a minute or two. I am just waiting for the "wanna bes" to go, you are going to sit right there.

Female 7: (Inaudible)

James Harris: It is okay, you are going to sit right next to him. We do not want to bump in to you. Hold that question, just grab a seat. It is okay, grab a seat. I do this very professionally and just so you guys know the CD will make you no money that will make you nothing. Grab a seat. Somebody loss some glasses? Somebody loss some shades? Anybody? No? Okay, Susie, get hold of those. Okay, here we go, listen up. Okay good. So, here is what I do this, watch. Donald told me to do it this way.

01:45:04 – End

NOTE: This is the transcript of SEMPFF20090316A Harris Orientation

James Harris: Yes, you are going to be, that means you are very serious. All these people, they just wasted their time, they wasted two hours. Now, here is what that means, we are not attacking them. All I am saying is that you have separated yourself from the mediocre people. That is good news, that is a good start but we need to get you further right? Okay, so being a "gonna be" means this, you are going to do this, you are very serious. The only thing that will hold you back is if you do not have \$1,495.00 that is it, if you have it, you start filling out that form. I am going to give you a proposal at the same time but I will be done with this in about three minutes, so if you know you are ready, you just start filling up your form. You are



going to get your credit card check cash to Michael, Susie and Chris, they are going to come over and get it so we can speed this up.

Now, for the rest of you here is what we are going to do, listen up and Susan these people in the back, guys there are going to be in step 2. All right, here we go, have you guys ever heard of this somebody saying "how do you get the money for real estate or how do you borrow the money to buy a piece of property, fix it up and sell it?" Has anybody ever thought of this? Hello?

Participants: Yes.

James Harris: Guys, you should not be talking with each other, listen to me. So the biggest question in real estate is what? How do you get the what?

Male 1: Money.

James Harris: Money, now I went over some creative things here today that we can do. That is hard, when you can borrow the money; listen to me, to buy a piece of real estate at a discount, usually the property needs a lot of what?

Male 2: Work.

James Harris: Work, okay good that is where you make the big money in real estate, so here we go. Has anybody ever heard about private money investor? Has anybody ever heard of this? Has anybody ever heard of this? Has anybody ever heard of a hard money lender?

Male 3: Yes.

James Harris: Has anybody ever heard of a bank? Watch, hard money lenders lend money for investment real estate to buy it, fix it up and sell it, short term, so the private money investors. Let me explain this, you are going to get this, you are going to like this. Okay, and this is why you need to be at this training, is there a lot of money in Riverside County?

Participants: Yes.

James Harris: No, there is a boatload. Everybody say boatload.

Participants: Boatload.

James Harris: That means there is a lot of people with a lot of money, now watch. The stock market, is it up or down?

Participants: Down.

James Harris: It is completely crashed right? We do not have our money there, we pulled it out, and we are putting it into what? Watch what we do, two things and this is why you want to be here, watch. Has anybody ever heard of a joint venture, that is where people partner up, right? Okay, so watch, let us say, what is your name?

Nikki: Nikki.

James Harris: Nikki, you are going to go out and find a property, right? Good and you are going to find the property, the right one, only a distressed property and I want you guys to start writing down this stuff, I am still training you, are you with me? Please say yes.

Female 1: Yes.

James Harris: I am still training, write this down. I am going to turn all of you into a distressed property specialist, everybody say distressed.

Participants: Distressed.

James Harris: Let us try it again, I know, everybody say distressed.

Participants: Distressed.

James Harris: Property specialist, which means I am not just going to show you how to do the foreclosures. I am going to show you how to do the foreclosures, pre-foreclosures. I am going to show you how to find and make money on the abandoned homes, vacant homes, ugly homes. Has anybody ever seen a really ugly home?

Participants: Yes.

James Harris: I am going to show you how to make a lot of money on it, that is gold, everybody say gold.

Participants: Gold.

James Harris: Also, the divorced property, the probate, has anybody ever heard of probate? Probate properties, tax liens, bankruptcies all of them, everybody say all of them.

Participants: All of them.

James Harris: So you are going to become a—what property specialist? Distressed, now watch, we are going to borrow the money to buy it from a private money investor or group, here is how they work. Nikki, you find the property, I am going to show you how to apply within about a day to a private money investor or group. They are going to lend you the money, 100% financing

to buy the property and fix it up. If has got a low LTV, everybody say LTV.

Participants: LTV.

James Harris: That is loan to value, I have got to teach you that and if it is a 65% loan value or better in other words if it is say \$100,000.00 property and we can buy it for \$65,000.00 or less, I can show you how to get a 100% financing, everybody say yey.

Participants: Yey!

James Harris: The private money person will charge you interest 12% to 20%, who cares so we can buy it up, fix it up and sell it within 90 days or less. I am going to show you how to give somebody else a nice discount, that is how you sell the home and I will show you how to get them into the home within three months with an FHA loan. That is my system, I have got many I am showing you that one. Now, the private money person will lend you the money or group, I will show you exactly where they are, now the other thing is this, the other thing that they will offer you is this, it is called a joint venture. Everybody say joint venture.

00:05:00

Participants: Joint venture.

James Harris: Where the private money person or group will say this, "you find the property, I put up the financing, you do the work, you and your spouse," or whatever okay? "I will even help you and then when we go sell it at the closing," we split it what?

Participants: 50/50.

James Harris: 50/50 that is a joint venture okay, would that help? Hello?

Participants: Yes.

James Harris: Okay, so I am going to show you how to do that in class. That will help every one of you, now you are in luck because next weekend for three days you are going to be with a private money investor. Everybody say hi James.

Participants: Hi James!

James Harris: Oh come on, you could do better than that, everybody say hi James.

Participants: Hi James!

James Harris: I would love to help you, get it? Hello?

Participants: Yes.

James Harris: Okay good, that is why I am teaching the class, so I have a lot of stuff to go through and I will show you also this, by the way joint venture, you do not need money and you are not going to have credit check or get a loan. Somebody else will provide it because they are going to make nice interest on their money. Question, is 15% interest better than losing money in the stock market?

Participants: Yes.

James Harris: That is what we are doing, okay good, there you go. Now you have to register, so let me go through this really quick. What you have in front of you is a registration form, you are going to fill that out, you are going to get your check, you can put it on three credit cards if you want, check, you are going to give that to Susie, Michael and Chris. Okay, you have some of your team here, this is going to be at training, you are going to get comfortable with us, okay? With this registration you need to know, you can bring a second person, no charge. You are going to put their name on the registration form, okay? If you do not know who that is, that is okay, you have to let us know, you are going to let Susie know by next Thursday. Does everybody understand this? Please say yes.

Participants: Yes.

James Harris: If your partners name is not on the computer they will not be allowed in, this training is a closed circuit room. Only people who are registered are allowed to get in, so I want to let you know that. If you have children, you need to let me know if you want to bring them with you and I have to approve that, okay because some people want to bring their son or daughter or both as long as it is not the Brady Bunch. I had a 13-year old kid in New York at the training with his mom and guess what? He took better notes than her.

Yes, so you let me know, so you guys need to register, what I am going to do; I am just going to answer questions. Michael and Susie and Chris, they are going to come around and get your payment and take care of you, when we are done, I am going to explain the 12-month Trump premium membership. The software, you are going to have access to all the properties, we are going to go over your homework and then I will hold the orientation and I promise you, I am going to show you how to find these properties when?

Participants: Now.

James Harris: Right now, good, first question. Yes.

Male 3: (Inaudible)

James Harris: Nope, I am going to show you how to do it, I am going to show you exactly—nope, Friday? Friday I will show you how to get a company setup. Yes? Oh geez, here we go—what?

Male 3: (Inaudible)

James Harris: No problems:

Male 3: (Inaudible)

James Harris: Done, okay.

Male 3: (Inaudible)

James Harris: Hang loose and when we are done one of the guys will talk to you, yes. Well, we cannot do that, it has to be someone you already in business with or a family member, so you can bring a second person and you can bring a second person, does that make sense? So you guys are not in business together?

Male 4: (Inaudible) No.

James Harris: Do you guys know each other? Oh you do, you did not just meet?

Male 4: (Inaudible)

James Harris: Okay, done, are you guys going to do this together, you are going to do real estate and build a company together and all that? Okay, I am the trainer, I am the instructor, and I am your mentor for three days. Done, yes, get them registered now, sit through the orientation—

Male 4: (Inaudible)

James Harris: Tonight, yes but if you register now, fill out the form at least. Leave it with Michael and when they come and register, we have already have it done and when they are done they can just pay or you can pay now. I would get it done now that way when they are done tonight they are just done.

Male 4: (Inaudible)

James Harris: Are you going to pay? Oh they are, okay that is—okay, all right, let us go—guys fill out your form.

00:10:03

Male 4: (Inaudible)

James Harris: Yes, you are going to register and then you are going to put her name there.

Male 5: (Inaudible)

James Harris: \$1,495.00.

Male 5: A piece?

James Harris: No guys, you are registering for one person, \$1,495.00 the second person is free, they are just coming with you. Does everybody understand this? Please say yes.

Male 5: Yes.

James Harris: Yes, okay got it, yes, you guys I am going let those—you guys are going to be okay. Dan is going to cover it.

Female 2: (Inaudible) investing (Inaudible).

James Harris: Okay.

Female 2: We need to buy two houses (Inaudible).

James Harris: No problem.

Female 2: What about auctions?

James Harris: We are going to cover auctions; I am going to show you a better way to do it though. Listen I am going to show you how to find really dirt cheap deals before they get into the auction, here is why. Guys, as you are signing up, listen too. At the auction you have a lot of what?

Female 2: Competition.

James Harris: Competition, you have a lot of competition, I am going to show you how to find the properties before anybody does, yes?

Female 2: (Inaudible) ahs \$800,000.00 (Inaudible) and then you had (Inaudible)—

James Harris: Yes, 100 and 2,000.

Female 2: (Inaudible) because the 26 (Inaudible) cash she gave.

James Harris: Yes.

Female 2: And then the monthly payment—and then, when we have the 720 minus the (Inaudible) they gave you that is \$684,000.00 from the \$640,000.00 (Inaudible) third (Inaudible).

James Harris: Well, I added up all the numbers for simplicity, so people, they do not get confused.

Female 2: (Inaudible)

James Harris: Well the 26 we made up front, we did take that off to 720—

Female 2: Right, you just did.

James Harris: Yes, I understand but for simplicity, you write though—yes just when you see quickly within five minutes, that makes more sense that is all, yes I can tell. All right—

Male 6: He really wants to get into this but we do not have the money.

James Harris: Okay, can you put down a \$1,000.00 or something, yes you guys need to pay for this today or some can you have it tonight or tomorrow or if you have a credit card or check you can call us or something?

Male 6: We have nothing right now, probably but—

James Harris: Can you have it by next weekend, because that is when the training is, it is not this weekend coming up until next weekend. You think about that, fill this out; if you think you can do it then you go in as a pender (ph) okay?

Male 6: If interested?

James Harris: Exactly, you will do with Susie, yes. Yes? Yes?

Male 7: I will sign up, that is okay but I want to know, are they protected, like an LLC?

James Harris: Is it a living trust?

Male 7: A living trust?

James Harris: Okay, but is the mortgage in your name?

Male 7: The mortgage is in my name.

James Harris: No, it is not protected, we are going to talk about some asset protection and the proper way to do it, yes, why do not you come, yes, no but if they are good, you guys are going to be all together, yes. So what if—okay so you come to the training with them. Okay and over the next three months you help them get a deal or two done, that is what I would do. Yes?

Male 7: (Inaudible)

James Harris: Okay, come with them, I would come with them.

Male 8: Can I bring my daughter?

James Harris: Yes, how old is she?



Male 8: (Inaudible)

James Harris: You want to bring her with you and your wife?

Male 8: Yes.

James Harris: Done.

Male 8: (Inaudible)

James Harris: I mean you give me a—if it is a family member, yes but can bring your daughter but it is really two for one but if it is a daughter fine, I can do that. If it is a husband they need to register too because at the door when they come in there is going to be four of you and then they would say you only paid for one but if it is you and your wife and your daughter then you could say James (Inaudible) or my daughter. I can do that, if you want to register both of them then you have to register for you and your wife and then for them as well which is completely worth it.

Male 8: Okay.

James Harris: Okay—huh?

Male 9: (Inaudible)

James Harris: Is a what?

Male 9: (Inaudible)

James Harris: You will come to the first day at the end of first day Friday if you do not think—real estate works, you cannot be skeptical about real estate. It is just are you going to do it, by Friday night if you think you are not going to do it, Susie will give your money back. That is in writing, so you register them both, pay \$1,495.00 times two and then you register them both, come the first day and if one of you, you know, if you do not think you can do it just get your money back.

00:15:01

Male 9: (Inaudible)

James Harris: We are not done, hold on guys, we are not done—I know, guys we are not done. Everybody has to stay, okay we are registering and then I have to hold the orientation, and you have to stay, okay. So I need to get your paperwork done, fill it out, give your payments to the guys here so we can get this done on the next two minutes okay and then you guys are going to go through your homework then we are going to do the orientation.



Female 3: (Inaudible) seminar (Inaudible).

James Harris: Yes, no, you need to sign up with me.

Female 3: Okay.

James Harris: Sign up now; in three day if you want to cancel by Thursday you can, it is right here. I do not want you to do that though, if you think you are going to cancel I am not interested but sign up now. Sit through my orientation, go start looking for properties; I am going to show you exactly what to look for. Come that first day next Friday; if you do not think you can do it get your money back, okay? That means you have this week and next week to sleep on it and actually go through to this and start learning, the only reason—listen to me. You are young, the only reason people do not do it is because they are lazy. You will not do the work and it is not that hard, okay, so we are giving you plenty of time to think about it and you can still get your money back. Who are you going to do this with?

Female 3: I do not know, my brother is—

James Harris: Do you have a husband?

Female 3: No.

James Harris: Do you have a boyfriend?

Female 3: Yes.

James Harris: You have a boyfriend, there you go, you guys do it together. One deal of this year, listen to me Richard, you guys do one deal of this shot and I will show you to go out and you do one deal and you only make—

Female 3: Do I (Inaudible) like joint venture?

James Harris: Yes, I am going to do it in the orientation.

Female 3: I cannot stay.

James Harris: Well, good luck, why cannot you stay, you are hanging out with millionaires. Fill this out, stay for my orientation, it is five minutes and then you can go then you go think about it. I might even give you my email, any questions you can email me. Joint venture means somebody puts up the money for the deal and you guys split it when you sell it and they will even help you that is what private investors do.

Female 4: (Inaudible) tax writes off.

James Harris: If I do ten deals, ten deals with ten people and I make an extra \$30,000.00, I mean estimation for \$300,000.00 for my kids and I do not have to do anything. I just loan the money, get it? Okay, can you pay for this? Can you come up with that by next weekend? Nothing, you have no jobs, no money, no nothing?

Male 10: (Inaudible)

James Harris: You have something to put on eBay and sell? I know people who do that, I bet people who went out and sold their furniture to get to this, I have.

Male 10: We do not have any furniture.

James Harris: You do not have any furniture, what is going on? Okay, hang loose.

Male 10: (Inaudible)

James Harris: Yes they can bring their daughter but the husband they have to register both of them then. Right, if they bring their daughter fine, exactly. Okay, here we go, all right, yes—

Female 4: (Inaudible) San Diego coming up?

James Harris: Yes, this weekend.

Female 4: (Inaudible)

James Harris: No this is for San Bernardino next weekend, this weekend I am doing San Diego. You can come—watch, you can come this weekend if you want, I will see you there, done, that is up to you, I will get it for you. Do not worry about it, come this weekend, I will get you the hotel information, yes.

Male 10: (Inaudible)

James Harris: Done and guess what, you can come to that one and then you can come back to this one if you want to take it again. All right, here we go guys okay, what we are going to do is this; we have to speed this up. Give your payment to Susie and Chris and Michael let us get this done and then we are going to come over you homework right now okay? So everybody that has filled up their form, if you paid, if you are paying, you can stay, if you are not, you have to go, you guys can hang, so check it out. Everybody pick up this thing, see this thing right here, pick up this home study course really quick, grab this, is that yours? Okay, take the plastic off, it is like Christmas right, open up your present.

00:20:02

Okay, pull the plastic off, all right. All right, okay, you guys need one of this, you are going to open that, if you are registering you need to register sir. If you have any questions, we will answer any questions, Michael will help you. Help him when your done, help that guy out, okay, does everybody have one of this, if you do not, raise your hand. Does everybody have one? Everybody, if you paid you can have one, everybody good, you are going to get one for now, all right, everybody has one, yes, no, what about this? Sir, are you registering sir?

Male 1: (Inaudible)

James Harris: But are you going to register, all right, given him this but you are going to pay tonight right? Okay, here we go, all right, so what you are going to do is you are going to take this and I am going to show you what your homework is, here we go. Everybody look over here, very quickly, hurry up, that will take your time. Okay, there you go, see these CD's, everybody say yes.

Participants: Yes.

James Harris: That is your homework; you have got to listen to it. It is going to prepare you a little bit for the mindset of what you are going to learn. Second thing, see this? Put this together now, so I know you are going to go home and go through it and fill it out, so what you are going to do is you are going to take this, watch. I do not want you to mock this up, I am your mentor and I am going to walk you through everything. Take the hose, bang it on the table, make sure the holes are aligned, do you see that, I see you! And what you are going to do is you are going to stick this in here. Make sure it is right side up and then take the plastic off after you put it in the three holes. And then you are going to take the plastic off, that is your homework, you are going to go through that before class, okay?

Okay, next thing, get out a piece of paper, I want you to write down property leads, property leads, I am going to show you some things to look for to get you all warmed up okay? All right, on the top of your sheet, what you want to write is property leads, property leads get it? Number one, what you are going to do is between now and next weekend, if you see a property and there is a FSBO sign, what is a FSBO?

Participants: For sale by owner.

James Harris: For sale by owner, stop, hit the breaks, write down the number and address that is the lead, so I want you get at least 20 or more of those, okay? 20 or more, all right, so the first one is going to be a what, a what?

Participants: A FSBO.

James Harris: A FSBO, good, number two, if you see a for rent sign, for rent, if you see a for rent sign, okay, stop, hit the breaks and then you are going to write that lead down, for rent, number and address. Remember that for rent method? Okay, if you are looking for newspapers for leads, FSBOs, for rents, look in the free papers, penny savers, the nickel and dime papers, the free real estate magazine, why?

If somebody is advertising a property to sell it and they are going to lose it to foreclosure, they are not spending a \$1,000.00 in the main paper, got it, so that is where the deals are okay? Craigslist, things like that. Okay number three, rent to buy, rent to buy or rent to own, that is a good one. Number four, lease purchase, lease purchase okay, lease purchase that means the one with at least with an option to buy or purchase option which is a straight option. That means we set the price when we go to sell it, a lease option we set the price now. Number five, owner seller financing, that is a good lead, owner seller financing, okay, okay owner seller financing, that is a good one, that means they are willing to hold the loan, okay? Number six, are we in six? Number six, number six, investors' special that is a good one, right?

00:25:00

If they are advertising investor special, what are they looking for? Help, they have no money, I need an investor that means you are special because we know how to put it together, cool? Number seven, are we in seven? Seven, right, yes, handyman special, what does that mean?

Participants: Fixer upper.

James Harris: Fixer upper, if you see an ad that says "handy woman" or "handy lady special" that is a miracle, I have never seen that, "handy man special," okay. Number eight, divorce sale, you will see them. Sell them a house and go through a divorce, I just went through a divorce, I have no money, I need to get out of the mortgage, done. Now I will tell you how I was introduced to this, 1993 I saw an ad in New York Times it said "my wife left me for my best friend and I miss him, so I am selling all of her stuff" and we have a \$400,000.00 town house a deed work and we sold it for \$882,000.00 okay. Little fortune, yes, why did he do that, he did not want her to get anything; he sold the jewelry, the purse, the car, the Mercedes, the dishes from everything for nothing because he did not want her to get anything. So I actually have a system and I will show you how to find all the people going through a divorce and we will make an offer on their property.

Another reason we want to do divorce sales because the attorneys will give you the leads from their clients to buy the

house so they can get paid. The biggest problems of divorce attorneys are getting paid, yes, yes good. Here is another one, if you see an ad that says "moving sale" and next to that put "garage and yard sale," okay. They might need to sell the property, maybe they owe 300 on the mortgage, and maybe it is worth 550. I am going to show you—where I want you to look is this, the lower income areas of Riverside County, lower income areas, yes. All the bread and butter cookie kind of homes, you know the waitress at Chili's working or the guy who is running the Mighty Muffler shop or the bartender, the lower income areas, do not go into the million dollar home areas, here is why.

When you go to sell it, we can make a lot of money on those but you have a smaller pool of buyers right now, it is hard to get a jumbo loan over half a million bucks right now, okay? Higher end people are paying cash but they want a deal, we can still make money on those but we can do a lot of houses every month or every couple of months in the lower income areas, makes sense?

Participants: Yes.

James Harris: That is where you are looking, yes?

Female 5: (Inaudible)

James Harris: Yes, foreclosures are easy; we just have to make our offer to the bank before they foreclose on.

Female 5: (Inaudible)

James Harris: If they are already listed, yes everybody can find out about those, I am going to show you how to find the pre foreclosures, REOs are fine. I will show you how to make an offer though. REOs are fine, we are just going to go to the bank, I am showing you how to find leads where we can talk directly to the seller and get a deal from them. Get them out of the mortgage, you see the banks are not stupid, they want their money but they are not going to sell it for nothing, so I am going to show you how to make the offer and piece it together the right way so you can get a response. Look to this stuff, now the last one is this, write this down, if you see a vacant or abandoned property, really tall grass, all beat up, you know papers that nobody is at—get the address, I will show you how to find the owner. Usually we can get it for what it is just owed, taxes, mortgage, that is a deal.

Male 3: (Inaudible)

James Harris: Ha?

Male 3: (Inaudible)

James Harris: If it is twice what is it worth? Yes, do not worry about that, if you see a vacant or abandoned home, boarded up, it might be banked own—

Male 3: (Inaudible)

James Harris: No, I understand that, but we have to short it with the bank then. That is it, we have to short it. IndyMac Bank they are all over the place. Listen to me; if you make your offer the right way, they are letting them go—a lot of them 70% off. Vegas right now, I am going to talk about Vegas because you are close to Vegas. I am going to talk about how you can go to Vegas and drive down a street and buy five houses and the bank will give you a bulk, bulk deal.

Female 5: (Inaudible)

James Harris: Yes.

Female 5: (Inaudible)

James Harris: Yes, yes, we just put something for \$62,000.00 is worth a \$120,000.00 okay?

00:30:00

Female 5: (Inaudible)

James Harris: I know, you guys all you guys all need to buy houses, okay, so did everybody get that? So that is a little homework, you have your home study course; you are going to look for some leads. Okay, now there is something else that we are going to hand you, did we get that Susie?

Susie: (Inaudible)

James Harris: All right good, here we go, do you guys see this? All right, watch, listen to me very carefully, I am going to hand this out, this is for everybody. Now, we used to do this on the first day Friday but some people kept saying to me, "James why did you not give us this before class so we were prepared" right? So I want you to take a look at this, a couple of things I want you to circle and highlight okay and this is going to help you a lot tremendously, does everybody have one of this?

Okay, all right, here is what this means, what you want to do, you are welcome. Is you are going to take a look at this, now I want you to highlight or circle a couple of things here okay? Everybody should have one, does everybody have one?

Participants: Yes.



James Harris: Does everybody have one? Okay, here we go, okay, on that sheet you are going to fill this out before class. The biggest thing that I want you to do is see number three where it says personal or investment properties. You are going to write down the numbers of what you have right now, your house, what is it worth, what is the mortgage that is sold on it and I want you to write down and circle and highlight if you have equity and how much of it because I am going to show you how to get rich using your equity.

Male 5: What if I do not have any?

James Harris: If you do not have any that is not my problem.

Participants: (Inaudible)

James Harris: Okay, you should have equity, listen to me, I want you to write—you are going to fill this out for homework, if you do not bring it in, you are in trouble okay? Now, so you are going to take your time with that, if you have other investment properties, you are going to fill it out. On the back, this is more important, I need to see if you have equity. Do you have equity? I can show you how to make a lot of money with that. You are going to fill out your checking savings money market, IRA HELOC, if you have a HELOC, who know what that is?

Male 6: Home equity line of credit.

James Harris: Home equity line of credit, you are going to write how much money is in your HELOC, if you do not, you need to call your mortgage company this week and next week and get a what? HELOC on your equity, I will teach you a strategy called equity funding that will change your life but you need a HELOC setup.

Participants: (Inaudible)

James Harris: Frozen, unfreeze it. The banks cannot freeze your money that is a bunch of crap. Listen to me, you call them, and you tell them you want that equity. That is your money, you build off the property and they froze it, they cannot do that. They can, they did, you have to fight for that, got it? Call them up and tell them you want it. Get another bank and see if they will give you a HELOC on it and open it up.

Male 7: (Inaudible)

James Harris: Yes in Nevada Corp, that is fine, we will talk about that.

Male 8: (Inaudible)

James Harris: No, we are going to go over that in a second, Susie is going to cover that with you. All right, so you have the HELOC, if you do not have one, you are going to get one opened up when?

Participants: Right now.

James Harris: Right now, credit card stuff. Listen this is important. These are lines of credit that I will show you how to use to make a lot of money, get rich with your lines of credit. Remember that little credit card example? Five grand and we made 15 grand off the credit because we used it properly? Now watch, I am also going to show you how to use your lines of credit as leverage, everybody says leverage.

Participants: Leverage.

James Harris: To borrow money to buy real estate, so you have to go through all your credit cards and write them down, VISA, Master card, American Express and discover, okay? If you can, listen I would call your credit card banks and raise your limits by four times the current amount. Why do we want to do that? Because if you have a large line of credit on paper to a private money lender that shows liquidity and you are low risk to get a loan, got it? So it is just things that you have, I am going to show you how to get rich with, that is all so make sure you have got that, credit cards, call the bank between now and next Friday and raise those limits. Also better raise you FICO score, you are going to get a better credit score, okay?

Listen to me on this one, the next thing on the bottom here. Fill up all that other stuff. The biggest thing is the HELOC, you need to get your equity open, get it available on the line of credit, if you own something free and clear, call a bank and get a line of credit on it, I would because you could borrow of that, use that as leverage. We are going to show you how to use this magical word leverage that is what Donald Trump does, he leverages everything he has to go do more deals, that is all. Okays, so you guys homework with that.

00:35:02

Female 8: (Inaudible)

James Harris: I know.

Female 8: (Inaudible)

James Harris: But you can, you did, you do it now but you can again, you have got to start working on this.

Female 8: (Inaudible)

James Harris: No, I am going to show you to use what you have, if you do not have much then we are going to do some other things, that is all. We need to this creative stuff, okay good, so you have that that is your homework. So listen, let us go over it one more



time. Your home study course, your profile sheet, your property leads, you start looking for that okay? Susie is going to go over your 12-month membership very briefly with you and then she is going to go over the hotel location and then I will see you next Friday morning, okay? Next Friday morning, there is no such thing as this, listen to me; you made a commitment you show up, are you with me? Say yes.

Participants: Yes.

James Harris: Yes you show up, no she is going to go over that, it is in by the LAX airport, so you guys need to drive—no I am kidding it is right down the road. All right, so listen guys, check it out

Susan Morrison: (Inaudible) the location is right here on San Bernardino of the hospitality lane, it is only about ten minutes from here okay? So that is where you find that reminder, you guys, if you guys get cold easily please bring layers because sometimes it get pretty cold, (Inaudible) cold today, so please bring layers and socks, because sometimes when it comes to four o'clock, so please bring layers and socks okay?

Just really quickly, I want to go over your membership for the 12-month period, (Inaudible) program free for year, okay is that understood? I am sorry?

Participants: The three day training?

Susan Morrison: The three day training, yes. Please bring your pen and bring it here, we only do a month schedule in finding a schedule okay? I will show you how to do that in class (Inaudible).

Female 9: (Inaudible)

Susan Morrison: No, I will show you how to do that in (Inaudible). Just to let you know, you have the ability to re attend, (Inaudible) so I will show you there on the three-day training. Okay, you also have the ability to log into the premium membership, the premium membership and what that is, are the contracts, the webinars, question and answer forum. That you have the ability to log into and access for a year for free, how you get access to that is as long as I have your email address, when you go home today. If you go online to your email, you will be provided with a password and the instructions on how to log in to your premium membership. So tonight I need you to go home and check your email, your email is filed here. Then what you need to do is, yes you need to provide me right, so go on and write it in a piece of paper.

Also you guys, just get back to the signing of the contract, it is here where it will protect you that is part of your 12-month (Inaudible) as well. (Inaudible) okay, and make sure (Inaudible). All right, so (Inaudible), I mean that is basically it,

we congratulate you all and we really look forward to working with all of you, okay?

Participants: All right, thank you.

Susan Morrison: Yes, congratulations. Thank you.

[Crosstalk]

Susan Morrison: All right, that is it, thank you so much for your time. We will see you next week.

[Crosstalk]

00:39:13 - 00:43:00

00:43:00 to End – Audio Cut

# EXHIBIT 16

## **'Rich Dad' seminars deceptive: Marketplace**

CBC News Posted: Jan 29, 2010 9:35 AM ET Last Updated: Feb 01, 2010 1:33 PM ET

A high-profile workshop series that purports to teach Canadians how to invest in real estate and stocks uses deceptive tactics, gives questionable advice and focuses more on getting participants to pay for more seminars, according to CBC-TV's *Marketplace*.

The workshops, called "Learn to get rich," are held regularly across Canada and are connected to financial guru Robert Kiyosaki, who licensed his name to Whitney International, which runs the series. Whitney recently changed its name to Tigrent Learning Inc.

The U.S. -based Kiyosaki exploded onto the self-help scene 12 years ago with his book *Rich Dad, Poor Dad* and has since become one of the best-selling personal finance authors on the planet.

But even Kiyosaki says he isn't pleased with how the licensee runs the seminars.

## **Courses cost up to \$45,000**

The seminars range from free one-day introductions to three-day seminars that cost \$500 to longer courses priced between \$12,000 and \$45,000. Critics say the marketing of the series is aimed at upselling participants on the more expensive next level.

At a \$500 seminar in Kitchener, Ont., *Marketplace* found participants who felt pressured into raising their credit-card limits right on the spot. They were even given scripts instructing them on how to ask for limits of \$100,000.

Others at the Kitchener session said they were bullied into keeping silent if they had doubts. Those who persevered in their questioning would be ejected from the seminar.

And always, there was a push to buy into the next level.

"There is no way you're going to learn everything you need to know about real estate in three days," trainer Marc Mousseau told the Kitchener group. "Do we agree?"

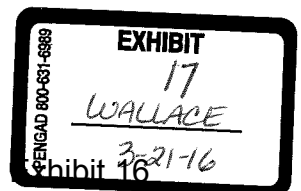
He then described the "advanced training curriculum," adding: "If you think it's too expensive, come and tell me, and I'll ask you to leave."

Mousseau told participants they had to get higher credit-card limits if they expected financial success. He challenged the audience to go big.

"Ask for \$100,000," he said. "Who's willing to ask for \$100,000?"

Suki Deol thought the organizers tried to intimidate the audience.

"It's a three-day sales pitch, basically," Deol said. "You're not going to learn anything. But I think most people were a little afraid to say anything. It was very intimidating. The organizers would come up to you and stand behind you, over you and there was no talking allowed."



## Exaggerated claims

When one woman voiced concerns about the high credit limit, Mousseau replied: "Do what I tell you to do. Do it."

After the seminar, participant Danuta Skrzypinski said she wanted nothing more to do with Robert Kiyosaki.

"I would like to have my money back," she said.

*Marketplace* also discovered that claims by at least one trainer were exaggerated. The trainer said he made millions on a mobile home park in Saskatchewan — a park that turned out to be non-existent.

Bob Aaron, a Toronto real estate lawyer, said workshops like these are not only a waste of people's money, they're also teaching people techniques that normally don't work.

For instance, Mousseau told people who are interested in buying real estate to simply start knocking on doors and asking homeowners if they want to sell.

Aaron, who's handled thousands of real estate files, said some of Mousseau's claims were just plain unusual, including his advice that if you buy 10 condos, a developer will give you two for free.

"They're not going to give you two for free," Aaron said. "I've never seen that happen."

"I'm very angry that somebody like this is pawning off this as advice, that he's getting paid for, to the Canadian public."

The company now known as Tigrent Learning has been offering get-rich workshops for more than 10 years, and has a history of run-ins with regulators and unhappy customers.

## Guru not pleased

*Marketplace* caught up with Kiyosaki at a public talk in Vancouver. He said he is disturbed by the growing criticism of the workshops and initially tried to deflect questions from *Marketplace*.

"There's lots of these events all over the country," he said. "I have had some complaints from a few instructors, about some instructors. It costs money to go through those programs. So there's people that do go through our programs and are very happy. There's always going to be dissatisfied customers."

But when *Marketplace* presented him with examples of the bullying tactics, he confessed his own frustrations, saying for years he's been asking the licensee to improve its strategy.

"I am more upset than you are. I really am," he said. "I, look, I agree with you that that's not good professional training. I will look into it, that's all I'm saying."

*Marketplace* is broadcast at 8:30 p.m. Friday, 9 p.m. in Newfoundland.

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# EXHIBIT 17

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## Trump Campaign Releases a Video Defending Trump University... that is Itself a Scam

By: [Leon H. Wolf](#) ([Diary](#)) | June 1st, 2016 at 04:01 PM |

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So the Trump campaign has released a video with purported testimonials from Trump University students which I guess is supposed to show that Trump University was not a scam. This video features three people – none of whom have ever bought or sold real estate for a living. One of them appears to be a professional testimonial-giver for seminars, one appears to give these kinds of seminars for himself, and one of them has an ongoing business and personal relationship with the Trump family, who have allowed him to sell his protein water on a number of their properties.

I'm not really sure who this is supposed to persuade, other than the people who would be susceptible to taking the course in the first place. One of the defining characteristics of these scam seminars is that they can always find people who will star in exactly these sorts of videos who will tell you how great the program has been for them. Anyone who's seen one of these pitches knows this.

Ad



### Property Video

Sell Your Properties Quicker With A Video From Your Photos, Call Us!

In any event, here is the video, in case you care to see it.

FORMER STUDENTS SPEAK OUT IN SUPPORT OF TRUMP UNIVER... ↗



Note that the first woman featured in the video, one Michelle Gunn, [appears to be a professional testimonial giver](#) for these self-help workshop scams:

20/39 Testimonial Michelle Gunn for Steven Memel Speaker Co... ↗



The first gentlemen who is featured in the video is Kent Moyer. Kent Moyer is not in real estate at all, as his [rather detailed website](#) attests. Rather, he seems himself to be involved primarily in selling the kind of “coaching” and “seminars” that are pretty similar on their face to Trump University. I would also note per his bio that he appears to have gone to Wharton, and judging by the rest of his bio he’s about the same age as Trump, but I digress.

Even if people find real value in the consulting services that Mr. Moyer provides, he by his own admission has never actually made money selling real estate, which is what Trump University is supposed to teach you how to do.

Another of the persons featured on the video is Casey Hoban, who is also not today involved in the business of selling or buying real estate. He claims in the video that he was, either in Florida or South Carolina (he is not really clear) but one wonders if the returns from these real estate deals were so “incalculable” why he is in the business of selling protein water (instead of real estate, which is booming right now).

While Mr. Hoban does not appear to be in the business of buying and selling real estate, he does appear to be in some sort of business and personal relationship with Donald Trump and the Trump family through his protein water company, and a supporter of Trump’s.



**Casey Hoban**  
@CaseyHoban

Follow

trimino protein water: @Trump National Charlotte NC Golf

Exhibit 17

page 197





**Casey Hoban**  
@CaseyHoban

Follow

trimino protein water in Trump Tower Deli NY!  
Thank u Eric Trump & Family !  
trimino in Texas Health Resources Hosp  
8:44 PM - 20 Apr 2016

1 6



**Eric Trump**  
@EricTrump

Follow

Proud to stand in front of the @EricTrumpFdn Surgery &  
Intensive Care Unit at @StJude Children's Research Hospital!  
12:05 PM - 8 Apr 2016

1,850 3,893





**Casey Hoban**  
@CaseyHoban

Follow

trimino protein water Miami Florida now at Trump National Doral  
Miami Golf Course "BLUE MONSTER" Thank U Eric Trump

1:24 PM - 10 Feb 2016

6

I could go on and on but eventually I got bored of going through this guy's twitter feed, which is 100% about his protein water company.

These are the three people the found, out of the 40,000 people who (allegedly) came through Trump University who could talk about their great experiences.

Notably, not one of these people is currently in the business of buying or selling real estate, or can offer any proof that Trump University made them successful in this endeavor, which is what it was designed to do.

[Only Three Months Until the RedState Gathering in Denver! CLICK HERE for Info :](#)



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